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United Nations Conference on Trade and Development

Report of the Trade and Development Board

Twenty-eighth executive session, nineteenth special session and forty-ninth session

General Assembly

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**Twenty-eighth executive session,
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forty-ninth session**

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Note

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Contents

Chapter		*Page*
	Part one Report of the Trade and Development Board on its twenty-eighth executive session	1
I.	Matters requiring action by the Board arising from or related to reports and activities of its subsidiary bodies (agenda item 2)	2
	A. Report of the Commission on Trade in Goods and Services, and Commodities, sixth session (4-8 February 2002)	2
	B. Report of the Commission on Investment, Technology and Related Financial Issues, sixth session (21-25 January 2002)	2
	C. Report of the Commission on Enterprise, Business Facilitation and Development, sixth session (18-21 February 2002)	3
	D. Report of the Working Party on the Medium-term Plan and the Programme Budget on its resumed thirty-eighth session (17 and 18 January 2002)	9
II.	Follow-up to paragraph 166 of the Bangkok Plan of Action (agenda item 3)	10
III.	Institutional, organizational, administrative and related matters (agenda item 4)	12
	A. Opening of the session	12
	B. Bureau of the twenty-eighth executive session	12
	C. Adoption of the agenda	12
	D. Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board	13
	E. Inclusion of national non-governmental organizations in the Register in conformity with Board decision 43 (VII)	13
	F. Report of the Board on its twenty-eighth executive session	14
Annex		
	Attendance	15
	Part two Report of the Trade and Development Board on its nineteenth special session	17
	Introduction	18
I.	Outcomes of the Mid-term Review	19
	A. Review of the efficiency and functioning of the intergovernmental machinery	19
	1. Chairperson's summary	19

2. Guidelines for the functioning of the UNCTAD intergovernmental machinery 21

Annex 23

B. Stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action 23

1. Assessment of the work since UNCTAD X: lessons learned 25

2. Direction and areas of emphasis towards UNCTAD XI 30

3. Lessons from the use of indicators of achievement 32

C. Summary of the high-level interactive debates and policy dialogue by the Minister for Foreign Affairs of Thailand 33

D. Conclusions on the Mid-term Review by the Secretary-General of UNCTAD 37

E. Expression of gratitude 40

II. Proceedings of the plenaries of the Board 42

A. Mid-term Review 42

B. Other matters: invitation to host UNCTAD XI 52

C. Organizational and institutional matters 52

Annexes

I. Message from the Secretary-General of the United Nations to the UNCTAD Mid-term Review 55

II. Message from the Chairman of the Group of 77 in New York to the UNCTAD Mid-term Review 56

III. Attendance 58

IV. List of documents 61

Part three
Report of the Trade and Development Board on its forty-ninth session 63

Introduction 64

I. Action by the Trade and Development Board on substantive items on its agenda 65

A. Progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (agenda item 4) 65

Agreed conclusions 470 (XLIX) 65

B. UNCTAD's contribution to the final review and appraisal of the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: structural adjustment and poverty reduction in Africa (agenda item 5) 67

Agreed conclusions 471 (XLIX) 67

C. Review of technical cooperation activities of UNCTAD (agenda item 7(a)) 68

Decision 472 (XLIX) 68

D. Other action taken on substantive items 70

1. Review of technical cooperation activities of UNCTAD (agenda item 7(a)) 70

2. Consideration of other relevant reports: report on UNCTAD's assistance to the Palestinian people (agenda item 7(b)) 70

3. Progressive development of the law of international trade: thirty-fifth annual report of the United Nations Commission on International Trade Law (agenda item 8) 70

4. Arrangements for regular sessions of the Board (agenda item 10(a)) 71

II. Summaries of discussions on substantive items on the agenda of the Board 72

A. High-level segment: how can the post-Doha process work best for development? (agenda item 2) 72

B. Interdependence and global economic issues from a trade and development perspective: developing countries in world trade (agenda item 3) 74

C. Review of developments and issues in the post-Doha work programme of particular concern to developing countries (agenda item 6) 76

D. Consideration of other relevant reports: report on UNCTAD's assistance to the Palestinian people (agenda item 7(b)) 76

III. Procedural, institutional, organizational, administrative and related matters 87

A. Opening of the session 87

B. Election of officers (agenda item 1(a)) 87

C. Adoption of the agenda and organization of the work of the session (agenda item 1(b)) 87

D. Membership of UNCTAD and of the Trade and Development Board 88

E. Adoption of the report on credentials (agenda item 1(c)) 88

F. Provisional agenda for the fiftieth session of the Board (agenda item 1(d)) 89

G. Administrative and financial implications of the actions of the Board (agenda item 10(b)) 89

H. Adoption of the report (agenda item 12) 89

Annex

Agenda for the forty-ninth session of the Trade and Development Board 90

Part one
Report of the Trade and Development Board on its twenty-eighth executive session (Geneva, 12 March 2002)*

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Chapter I

Matters requiring action by the Board arising from or related to reports and activities of its subsidiary bodies

(Agenda item 2)

A. Report of the Commission on Trade in Goods and Services, and Commodities, sixth session (4-8 February 2002)

1. The representative of **Switzerland**, speaking in his capacity as **Vice-President of the Commission**, introduced the report of the Commission (TD/B/COM.1/49) and commended it for endorsement by the Board.

Action by the Board

2. The Board took note of the report of the Commission, endorsed the recommendations and agreed conclusions contained therein, approved the provisional agenda for the Commission's next session, and approved the topics for the next cycle of expert meetings.

B. Report of the Commission on Investment, Technology and Related Financial Issues, sixth session (21-25 January 2002)

3. The representative of **Brunei Darussalam**, speaking in his capacity as **President of the Commission**, introduced the report of the Commission (TD/B/COM.2/40). The outcomes of the Commission's session had exceeded expectations. With regard to the Commission's recommendations on the impact of international investment flows on development, some could be carried out within the framework of the regular programme, while others would need additional funding. On international arrangements for technology transfer, the Commission's recommendations represented a creditable contribution to international consensus-building in a complex and sensitive area. Concerning investment policy reviews, a meeting on the investment policy review (IPR) of Botswana was scheduled for 11 June 2002, back to back with the first expert meeting, and it was proposed that the IPR for Ghana could be discussed at a meeting on 5 November 2002, back to back with the second expert meeting. Those arrangements would be subject to review in the Mid-term Review. Finally, the interaction between the World Association of Investment Promotion Agencies (WAIPA) and the Commission had been innovative and successful.

Action by the Board

4. The Board took note of the report of the Commission, endorsed the recommendations and agreed conclusions contained therein, approved the provisional agenda for the Commission's next session, and approved the topics for the next cycle of expert meetings.

C. Report of the Commission on Enterprise, Business Facilitation and Development, sixth session (18-21 February 2002)

5. The representative of **Zimbabwe**, speaking in his capacity as **Vice-President of the Commission**, introduced the report of the Commission (TD/B/COM.3/46).

Action by the Board

6. The Board took note of the report of the Commission, endorsed the recommendations and agreed conclusions contained therein, approved the provisional agenda for the Commission's next session, and approved the topics for the next cycle of expert meetings.

Statements

7. The representative of **Spain**, speaking on behalf of the **European Union**, said that the sixth session of the Commission on Investment had been particularly interesting, and the investment policy review for the United Republic of Tanzania had served as a good example of how future reviews could be organized. In the Commission on Trade, the secretariat had demonstrated the importance it attached to post-Doha capacity-building and technical cooperation, and in the Commission on Enterprise, the UNCTAD approach to the gender issue had been strengthened through the recommendation to have a gender focal point in each division.

8. With regard to the Commissions' methods of work, once again too much time had been spent on negotiating agreed conclusions at the expense of substantive discussions. Appropriate measures would have to be taken in the Mid-term Review in that connection. Concerning the Commissions' outcomes, the Commissions had made about 60 recommendations to the secretariat, and it would be important for the secretariat to indicate whether it could actually implement the recommendations. The European Union had repeatedly warned against overloading the secretariat.

9. Finally, the Commissions' sessions had been influenced by the Mid-term Review and the Doha Conference. Concerning the Mid-term Review, the Commissions' conclusions could be revisited during the Review in order to ensure their consistency with the priorities to be established by the Board at its nineteenth special session in May 2002. With regard to the post-Doha process, the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO) would have to cooperate closely to implement the relevant capacity-building and technical cooperation projects.

10. The representative of **Paraguay**, speaking on behalf of the **Latin American and Caribbean Group**, said that the Mid-term Review process was intended to evaluate the implementation of the Bangkok Plan of Action and the effectiveness of UNCTAD's work, but the effectiveness of UNCTAD could not be enhanced if it was subjected to cuts. The Bangkok Plan of Action must be fully implemented, and for that UNCTAD's capacity to take initiatives must be preserved. The Commissions tended simply to react, instead of discussing the policy implications of UNCTAD's work, so more time would have to be devoted to policy discussions. The developing countries were embarking on a series of new negotiations in various bodies, and were facing implementation problems. They therefore hoped for UNCTAD's support, and UNCTAD could only give that support if it was not weakened.

11. The representative of **Uganda**, speaking on behalf of the **African Group**, reiterated the Group's support for capacity-building activities related to the post-Doha process and noted that work had been identified for all divisions in UNCTAD. Post-Doha activities represented new activities, for which additional human and financial resources should be made available to UNCTAD. The African countries' capacity to participate in trade negotiations was important, but their capacity to participate in trade itself was equally if not more important. Developing the latter had been the cornerstone of the UNCTAD capacity-building activities as provided for in the Bangkok Plan of Action. Full implementation of the Plan of Action remained the major challenge facing UNCTAD, and many of the Commissions' recommendations were in line with that goal.

12. Regarding the implementation of paragraph 166 of the Bangkok Plan of Action (TD/386), the UNCTAD secretariat had demonstrated that it had the capacity to implement that mandate fully. However, the resources were lacking, and it was hoped that development partners would consider funding the programme.

13. The representative of **Venezuela** said that her delegation attached great importance to UNCTAD's work in all areas of action of the Commissions. The Commissions' results were valuable for development and for UNCTAD's future work. All the Commissions' recommendations should be implemented, and in particular the secretariat should follow up on the work of the expert meetings, for example, in the area of energy services. At the same time, it must be noted that the Commissions had not been fully satisfactory in terms of the substantive results produced, and the participation of experts from developing countries in expert meetings had been affected by funding problems. Her delegation would contribute to any efforts to optimize the results of UNCTAD meetings and their contribution to development, and more broadly it would support anything that improved UNCTAD rather than weakening it. Finally, it was important that UNCTAD documentation be provided in good time in Spanish.

14. The representative of **Egypt**, speaking on behalf of the **Group of 77 and China**, said that the Commission sessions had been very enriching, and it was hoped that there would be the necessary political will in all countries to implement the Commissions' recommendations. It was also hoped that the donors would provide the necessary financial support and that a lasting solution would be found for the financing of experts. The working methods of the Commissions would be discussed within the framework of the Mid-term Review.

15. The representative of **Switzerland** said that, in the post-Doha context, UNCTAD's ambitious plan to strengthen its technical cooperation with developing countries and countries with economies in transition was welcome. UNCTAD had an undoubted comparative advantage in the field of technical cooperation. UNCTAD would have to work in close cooperation with other organizations, and the experience with the Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP) should be built on in such cooperative efforts, in particular the integrated framework. All duplication with WTO technical assistance should be avoided.

16. With regard to the Mid-term Review and the functioning of the intergovernmental machinery, the goal should be to identify weaknesses in order to agree on how to overcome them by UNCTAD XI at the latest. UNCTAD must be effective and well equipped to meet new development challenges. Expert meetings

should be able to meet twice on the same topic in order to enhance continuity, consolidate their work and encourage more experts to attend. The Commissions should strengthen the dialogue between the secretariat and member States and between donors and recipients on UNCTAD's technical cooperation. They should avoid giving the secretariat too many tasks and concentrate on examining the expert meetings' recommendations with a view to their follow-up at the national level. With regard to the Board, the suggestions to have two shorter regular sessions each year and to use executive sessions to discuss important topical issues deserved consideration.

17. Finally, his country attached great importance to the follow-up to UNCTAD X and to the active participation of the least developed countries (LDCs), along with the other developing countries, in that process. It would therefore contribute $25,000 to fund the participation of LDCs in the Mid-term Review in Bangkok.

18. The representative of the **United States of America** said that he agreed with many of the comments made about the intergovernmental machinery, for example, that not enough time was being spent on substantive discussions. It would be important to take a hard look at the structure and format of the machinery, though the goal should be to make adjustments, not total change.

19. The representative of **South Africa** said that, in examining issues arising from the work of the various subsidiary bodies of UNCTAD, his delegation had several considerations in mind, namely, the vision set out in the New Partnership for Africa's Development, the need to fulfil the commitments made at UNCTAD X, the need to take into account important developments in the world economy, and the need to evaluate those developments in the light of available resources. UNCTAD should be focused yet flexible to allow it to remain proactive and relevant.

20. The outcome of the Fourth Ministerial Conference of WTO at Doha posed important challenges to developing countries, and his delegation welcomed the UNCTAD plan for capacity-building and technical cooperation. At the same time, UNCTAD's work on the post-Doha process should not divert resources from UNCTAD's regular work, so there was an urgent need for additional resources.

21. To benefit effectively from the opening of markets, many developing countries still had to achieve higher levels of productivity, diversification and competitiveness, and UNCTAD recommendations should reflect those objectives. The major challenge remained poverty eradication, and in that connection developing countries must be in a position to design appropriate policies to attract investment. UNCTAD had proven its capabilities in that area. In making its recommendations, the Board should recognize the need for cooperation with the international community and pay particular attention to the needs of LDCs.

22. With regard to the follow-up to paragraph 166 of the Bangkok Plan of Action, the fact that future courses would involve more participants was welcome. Future courses would have to be properly financed on a sustainable basis, and donors were called on to support the activity. Finally, the prioritization of recommendations should reflect the commitments made in Bangkok and new challenges posed by the rapidly evolving economic environment.

23. The representative of **Norway** said that, with regard to the work of the Commissions, less time should be spent on drafting conclusions and more time on discussing policy issues. In the Commission on Trade, the discussion on the follow-

up to the Ministerial Conference at Doha had been welcome. In the Commission on Investment, the discussions on IPRs should focus on how to attract foreign direct investment (FDI); the discussion on gender, a horizontal issue, had been welcome. In adopting the Commission reports, the Board should keep the Mid-term Review in mind. One area of emphasis should be the follow-up to the Doha Conference, and partnerships with other agencies would be important in that regard. In general, it would be important to set priorities, and that would facilitate resource mobilization. With respect to the Mid-term Review itself, the whole intergovernmental machinery would have to be looked at, including the Board, which could perhaps hold more executive sessions and must devote sufficient time to the Programme of Action for the Least Developed Countries for the Decade 2001-2010. To enable LDCs to participate in the Mid-term Review in Bangkok, his country would make a contribution of approximately $30,000.

24. The representative of **Cuba** said that the limited participation of developing country experts in expert meetings as a result of lack of funding was a matter for concern. If developing countries' views were not injected into the intergovernmental process at the very outset, the final outcome would not reflect the development focus of UNCTAD. The Board must therefore find a solution to the problem of financing the participation of experts: financing must be foreseeable and sustainable and must increase the participation of developing country experts. With respect to the European Union's concern that the Commissions produced too many recommendations, in fact that was a good thing and reflected the need to formulate strategies and policies in UNCTAD.

25. The representative of **Bangladesh**, speaking on behalf of the **least developed countries**, said that the Commissions' recommendations referred to a number of LDC-specific studies, and it was hoped that those studies would be done soon. Post-Doha activities were very important, but they should not be at the expense of other ongoing activities. The UNCTAD plan for post-Doha capacity-building and technical cooperation was welcome but would only work if donors contributed. He called on donors to do so, as well as to strengthen the LDC Trust Fund. While it was important for LDCs to participate in WTO negotiations, it was just as important for them to enhance their trade-related supply capacity.

26. With regard to the Mid-term Review, it was hoped that the question of the possibility of establishing a standing committee on LDCs would be resolved. He thanked Switzerland and Norway for their announced contributions for the participation of LDCs in the Mid-term Review, and hoped that others would contribute too.

27. The **Director of the Division on Investment, Technology and Enterprise Development**, responding to points raised, said that a special project of technical cooperation and capacity-building related to the decisions of the Doha Ministerial Conference was under preparation. Activities were also being undertaken to support the work of the WTO working groups on the interrelationships between trade and investment and trade and technology transfer. In the area of science and technology for development (STD), the secretariat was in the process of elaborating a comprehensive programme of STD diplomacy aimed at assisting developing country diplomats to deal with science and technology issues, including within the context of WTO work. UNCTAD was continuing its work concerning the Trade-related Intellectual Property Rights (TRIPS) Agreement and was willing to provide specific

support in that area to individual developing countries upon request. UNCTAD cooperated in those endeavours with the TRIPS Council of WTO. Issues of technology transfer were also covered in a number of IPRs that had been prepared recently or were under preparation. The three expert panels of the Commission on Science and Technology for Development would undertake in 2002-2003 in-depth consideration of technology development and capacity-building for competitiveness in a digital society. In the area of international investment, the secretariat was continuing its work aimed at assisting interested developing countries and economies in transition in attracting FDI and benefiting from it, and improving investment policies. A number of UNCTAD publications considered investment issues, and the *World Investment Report 2002* would specifically address the theme of investment targeting. The Investment Advisory Council created further to the decisions of the Third United Nations Conference on the Least Developed Countries had started its work in the context of preparations for the International Conference on Financing for Development at Monterrey.

28. With respect to the follow-up to the decisions of the sixth session of the Commission on Enterprise, Business Facilitation and Development, work was under way on accounting by small and medium enterprises (SMEs). A meeting of the consultative group of experts on this issue was to be held in April 2002, and consideration of this theme was to be finalized at the nineteenth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting in September 2002. Efforts were being undertaken to prepare an inventory of best practices in accessing finance by developing countries. The issue of transnational corporation (TNC)-SME linkages remained on the agenda of UNCTAD's work as well as the gender dimension of entrepreneurship development.

29. The **Officer-in-Charge of the Division on International Trade in Goods and Services, and Commodities**, responding to points raised with regard to the implementation of agreed recommendations of the Commission on Trade in Goods and Services, and Commodities, said that some of those recommendations were directly related to the ongoing work of the Division, while others were giving specificity to the more general mandates spelled out in the Plan of Action adopted by UNCTAD X. The secretariat had started to implement some of the recommendations, one example being the meeting with the International Federation of Organic Agriculture Movements (IFOAM) and the Food and Agriculture Organization of the United Nations (FAO) on organic agriculture (Nuremberg, 18 and 19 February 2002). That meeting had recommended the creation of the FAO/UNCTAD/IFOAM task force to explore an international framework for the harmonization of guarantee systems. Furthermore, in cooperation with the European Commission and the secretariat of the African, Caribbean and Pacific Group of States, a workshop on ways to enhance the production and export capacities of developing countries in organic agriculture had been held in Brussels (21 and 22 February 2002). In the area of commodities, assistance relating to the post-Doha process was being provided upon request (preparation of a discussion note on single commodity exporters and assistance to the African Group on their WTO submission). Assistance was also being provided on capacity-building for diversification and commodity-based development through workshops on organic products (Cuba — already held — and Peru), fish (Gambia) and horticulture (Guinea, Kenya, Mauritius, Nigeria). With regard to market information and

analysis, analytical work on selected commodities was under way (coffee, cocoa, grains, sugar, vegetable oils, horticultural products, bananas and petroleum products). Organizing additional capacity-building workshops would depend on the availability of extrabudgetary resources. Finally, a progress report on the implementation of agreed recommendations and conclusions would be presented to the Commission at its seventh session.

30. The **Deputy Director of the Division for Services Infrastructure for Development and Trade Efficiency**, reporting on progress made since the last meeting of the Commission on Enterprise, Business Facilitation and Development, said that the Electronic Commerce Branch had already begun work to fulfil its mandate. In particular, as regards the intergovernmental component, work was well under way for the preparation of the background report for the Expert Meeting on the Basic Elements of an Enabling Environment for E-Commerce, to be held in July 2002. As regards the technical assistance component, at least two regional workshops would be held in the course of 2002. Efforts had also been made to mainstream gender in the work of the Branch: in particular, a chapter on "E-Commerce and Gender" would be included in the 2002 edition of the *E-Commerce and Development Report*, consultations had been held with the International Telecommunication Union (ITU) regarding the collection of gender-disaggregated statistics and a focal point on gender would soon be named. The work assigned to the Branch under the post-Doha item was in line with the Bangkok Plan of Action, in particular because it reflected the priority of raising awareness of the potential benefits of electronic commerce for developing countries. It did not, therefore, represent an additional mandate, and that was also the case for the other items discussed by the Commission.

31. A representative of the **UNCTAD secretariat**, referring to the Expert Meeting on Electronic Commerce and International Transport Services, held in September 2001, recalled that the recommendations reflected the Bangkok Plan of Action and helped the secretariat to better define the mandates contained in the relevant paragraphs of the Plan of Action. Recommendations concentrated on information, analysis, and technical assistance and training. The secretariat had already started to implement recommendations, particularly those referring to the provision of information and the development and delivery of training materials.

32. The outcome of the Commission was a clear indication of the need for an integrated approach to transport and trade facilitation. There was a close linkage between post-Doha activities in the field of trade facilitation and the topic of the future expert meeting agreed upon by the Commission. The post-Doha technical assistance proposal had been finalized and submitted to potential donors for funding. In preparing for the expert meeting, UNCTAD would cooperate closely with the United Nations and other international organizations, as called for in the Commission's recommendations. In that context, he drew attention to the cooperation with the Economic Commission for Europe in the preparation and conduct of the Forum on Trade Facilitation, scheduled to be held in May 2002.

D. Report of the Working Party on the Medium-term Plan and the Programme Budget on its resumed thirty-eighth session (17 and 18 January 2002)

33. The representative of **Italy**, speaking in his capacity as **Chairperson of the Working Party**, introduced the report of the Working Party (TD/B/49/2).

Action by the Board

34. The Board took note of the report of the Working Party and endorsed the conclusions contained therein.

Chapter II

Follow-up to paragraph 166 of the Bangkok Plan of Action

(Agenda item 3)

35. The **President** recalled that, at the forty-eighth session of the Trade and Development Board, the secretariat had been requested to provide feedback on the impact of the training course on "Key Issues on the International Economic Agenda", which had been held in June-July 2001 and for which a final evaluation had been conducted six months after the end of the course. The Advisory Body established in accordance with paragraph 166 of the Bangkok Plan of Action (TD/386), which had met on 8 March 2002, had taken note of the contents of the reports produced by the secretariat and expressed its satisfaction with the evaluation of the training course. The report and final evaluation were contained in documents TD/B/EX(28)/2 and Add.1 and 2.

36. The Advisory Body had also taken a decision on the conduct of the next training course, the theme, the location and funding. The second training course would be on "Trade and Development", with linkages to sectoral issues to reflect the interrelationship between the two. Forty participants would be selected to attend the course, including 10 from LDCs. The course would again be held at Geneva and Turin, from 17 July to 13 August 2002. Funds were available from the Development Account for the conduct of this and other courses envisaged under paragraph 166. A notification relating to the next course would be sent out by the secretariat.

37. The Advisory Body would meet again to decide on the conduct of training courses in the different regions in 2002 and 2003.

38. The representative of **Egypt**, speaking on behalf of the **Group of 77 and China**, noted the positive feedback from participants on the first training course. He acknowledged the excellent level of preparation by the secretariat for the course and the professionalism of the chosen speakers. The topics covered by the course remained of great interest, especially in light of the work programme of the World Trade Organization after its Fourth Ministerial Conference. He noted that three courses would be organized each year, with more participants attending each course. The courses should be distributed geographically and conducted in different languages. They should be financed from the regular budget to ensure predictability. The organization of additional resources could be subject to the availability of funds from extrabudgetary resources.

39. The representative of **Spain**, speaking on behalf of the **European Union**, said that the Trade and Development Board had the capacity to take decisions on the conduct of further training courses. Concerning the Advisory Body established in connection with paragraph 166 of the Bangkok Plan of Action, because of the late notification for the most recent meeting on 8 March 2002, there had not been sufficient time to study the reports and to prepare for the agenda items. He noted the decisions of the Advisory Body but stated that conducting courses at the regional level reduced the cost per participant. Given the conditions imposed by the Development Account, he was surprised that the next course was planned for Geneva and Turin but that none was planned at the regional level. His criticisms should be viewed positively and did not mean that the European Union did not favour paragraph 166.

40. The **Deputy Secretary-General of UNCTAD** said that the secretariat's first concern was effective delivery of courses, and this was best achieved by a combination of courses conducted at Geneva/Turin and the regions, as reported at the last Advisory Body meeting. The use of funds from the Development Account did not preclude the holding of courses in Geneva/Turin. Courses taught in different languages could not be envisaged, as the secretariat did not have the necessary capacity. However, courses conducted away from Geneva/Turin would benefit from the analytical work and views of UNCTAD's partners at the regional level, while the language issue could be addressed to some extent through lectures conducted by experts in the regions.

41. A **representative of the UNCTAD secretariat** reported that regional meetings would be considered at the next Advisory Body meeting in April. The notification for the last meeting had been late because replies relating to the final evaluation of the first training course had been received as late as February 2002. Links were being established with research centres, including the United Nations University, for the future conduct of these courses. Details would be provided to members of the Advisory Body for their comments.

42. The **President of the Board** recalled that, in its decision 466 (XLVII) of 20 October 2000 establishing the Advisory Body, the Board had decided that the Advisory Body would not be a subsidiary organ of the Board and would not be part of the intergovernmental structure of UNCTAD. The President of the Advisory Body, who was also President of the Board, would inform the Board of the Advisory Body's activities.

Chapter III
Institutional, organizational, administrative and related matters

(Agenda item 4)

A. Opening of the session

43. The twenty-eighth executive session of the Trade and Development Board was opened on 12 March 2002 by Mr. Ali Said Mchumo (United Republic of Tanzania), President of the Board.

B. Bureau of the twenty-eighth executive session

44. The Bureau of the Board at its twenty-eighth executive session was as elected at its forty-eighth session, namely:

President:

Mr. Ali Said Mchumo (United Republic of Tanzania)

Vice-Presidents:

Mr. Iouri Afanassiev (Russian Federation)
Mr. Toufik Ali (Bangladesh)
Mr. Federico Alberto Cuello Camilo (Dominican Republic)
Mrs. Eleanor M. Fuller (United Kingdom of Great Britain and Northern Ireland)
Mr. Virasakdi Futrakul (Thailand)
Mr. Douglas M. Griffiths (United States of America)
Mr. Nathan Irumba (Uganda)
Mr. Toshiyuki Iwado (Japan)
Mr. Kalman Petocz (Slovakia)
Mr. Jacques Scavee (Belgium)

Rapporteur:

Mr. Federico Perazza Scapino (Uruguay)

C. Adoption of the agenda

45. The Board adopted the provisional agenda for its twenty-eighth executive session (TD/B/EX(28)/1). The agenda was thus as follows:

1. Adoption of the agenda
2. Matters requiring action by the Board arising from or related to reports and activities of its subsidiary bodies:
   (a) Report of the Commission on Trade in Goods and Services, and Commodities, sixth session (4-8 February 2002)
   (b) Report of the Commission on Investment, Technology and Related Financial Issues, sixth session (21-25 January 2002)
   (c) Report of the Commission on Enterprise, Business Facilitation and Development, sixth session (18-21 February 2002)

(d) Report of the Working Party on the Medium-term Plan and the Programme Budget on its resumed thirty-eighth session (17 and 18 January 2002)

3. Follow-up to paragraph 166 of the Bangkok Plan of Action

4. Institutional, organizational, administrative and related matters:

– Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

5. Other business

6. Report of the Board on its twenty-eighth executive session

D. Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

46. For its consideration of this sub-item, the Board had before it the following documentation:

(a) International Federation of Organic Agriculture Movements (IFOAM): note by the UNCTAD secretariat (TD/B/EX(28)/R.1);

(b) Application by the International Environmental Law Research Centre (IELC): note by the UNCTAD secretariat (TD/B/EX(28)/R.2).

Action by the Board

47. Acting on the recommendation of the Secretary-General of UNCTAD and the Bureau, the Board agreed to designate the International Federation of Organic Agriculture Movements (IFOAM) and the International Environmental Law Research Centre (IELC) for the purposes of rule 77 of its rules of procedure and to classify them in the Special Category in accordance with the terms of paragraph 12 (b) of Board decision 43 (VII) so that they might participate in the activities of the Commission on Trade in Goods and Services, and Commodities and of the Commission on Enterprise, Business Facilitation and Development.

E. Inclusion of national non-governmental organizations in the Register in conformity with Board decision 43 (VII)

48. For its consideration of this sub-item, the Board had before it the following documentation:

(a) National Programme to Prevent, Combat and Provide Humanitarian Assistance to the Victims of Natural Disasters (PRONAPLUCAN): note by the UNCTAD secretariat (TD/B/EX(28)/L.1);

(b) Fundación Forum Ambiental (FFA): note by the UNCTAD secretariat (TD/B/EX(28)/L.2);

(c) Research and Information System for the Non-Aligned and Other Developing Countries (TD/B/EX(28)/L.3).

49. The Board was informed that, in conformity with the provisions of Board decision 43 (VII), sections III and IV, and after consultation with the Governments of the Democratic Republic of the Congo, Spain and India, the Secretary-General of

UNCTAD had decided to enter in the Register of national non-governmental organizations provided for under Board decision 43 (VII) the National Programme to Prevent, Combat and Provide Humanitarian Assistance to the Victims of Natural Disasters (PRONAPLUCAN), Fundación Forum Ambiental (FFA) and the Research and Information System for the Non-Aligned and Other Developing Countries (RIS).

F. Report of the Board on its twenty-eighth executive session

50. The Board authorized the Rapporteur to prepare the report on its current session under the authority of the President.

Annex

Attendance*

1. The following States members of UNCTAD were represented at the session:

Argentina
Armenia
Azerbaijan
Bangladesh
Belarus
Benin
Bolivia
Brazil
Bulgaria
China
Colombia
Congo
Croatia
Cuba
Democratic Republic of the Congo
Dominican Republic
Ecuador
Egypt
Ethiopia
Finland
France
Germany
Greece
Guatemala
Guinea
Honduras
Indonesia
India
Iran (Islamic Republic of)
Ireland
Israel
Italy
Japan
Kenya
Latvia
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malaysia
Malta
Mexico
Mongolia
Morocco
Nepal
Netherlands
Nicaragua
Nigeria
Norway
Oman
Panama
Paraguay
Philippines
Poland
Portugal
Russian Federation
Senegal
Sierra Leone
Singapore
Slovakia
South Africa
Spain
Sri Lanka
Switzerland
Syrian Arab Republic
Thailand
Tunisia
Uganda
Ukraine
United States of America
Yemen
Zambia
Zimbabwe

2. The following States members of UNCTAD were represented as observers at the session:

Brunei Darussalam
Estonia
Holy See

* For the list of participants, see TD/B/EX(28)/INF.1.

3. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States
Common Fund for Commodities
European Community
Islamic Development Bank
League of Arab States

4. The following specialized agencies and related organizations were represented at the session:

International Telecommunication Union
United Nations Industrial Development Organization
World Trade Organization

5. The United Nations Relief and Works Agency for Palestine Refugees in the Near East, the Office of the United Nations High Commissioner for Human Rights and the International Trade Centre UNCTAD/WTO were represented at the session.

6. The following non-governmental organizations were represented at the session:

General Category

Europe-Third World Centre
Exchange and Cooperation Centre for Latin America
International Confederation of Free Trade Unions

Part two
Report of the Trade and Development Board on its nineteenth special session (Bangkok, 29 April to 2 May 2002)*

* Originally issued under the symbol A/57/15 (Part II).

Introduction

1. At its twenty-fourth executive session in May 2000, the Trade and Development Board decided that it would conduct a mid-term review of its work in the second quarter of the year 2002, based on the indicators of achievement agreed to in the medium-term plan. It also decided to review the functioning of the intergovernmental machinery.

2. At its forty-eighth session, in October 2001, the Board agreed to endorse the offer of Thailand to host the Mid-term Review in Bangkok, launched the mid-term review process and approved the basic modalities of the Mid-term Review process, namely: (a) a review of the efficiency and functioning of the intergovernmental machinery; (b) stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action (TD/386); and (c) interactive debates and policy dialogue in the context of opportunities and challenges of new policy developments of importance since the tenth session of the United Nations Conference on Trade and Development (UNCTAD X).

3. In its resolution 56/178 of 21 December 2001, the General Assembly welcomed the decision by the Trade and Development Board to conduct the mid-term review of the outcome of the UNCTAD X at Bangkok from 29 April to 3 May 2002, and, in that regard, expressed deep appreciation to the Government of Thailand for offering to host the meeting.

4. As part of the Mid-term Review process, and prior to the meeting in Bangkok, three meetings of the Board were held at Geneva, the first from 28 January to 1 February 2002, the second from 25 February to 1 March 2002, and the third from 25 to 28 March 2002. At those meetings, consultations were held on the intergovernmental machinery and on the stocktaking exercise, resulting in texts that were subsequently acted on by the Board in Bangkok.

5. In Bangkok, the Mid-term Review took place from 29 April to 2 May 2002 within the framework of the nineteenth special session of the Trade and Development Board. At an inaugural ceremony on 30 April 2002, addresses were delivered by H.E. Dr. Thaksin Shinawatra, Prime Minister of Thailand; H.E. Dr. Surakiart Sathirathai, Minister for Foreign Affairs of Thailand; Mr. Rubens Ricupero, Secretary-General of UNCTAD; and Mr. Kim Hak-Su, Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP). A statement of appreciation was made by H.E. Mr. Ali Said Mchumo (United Republic of Tanzania), President of the Trade and Development Board. In the course of the session, two high-level interactive debates and policy dialogue were held on the following topics: Assessment of global economic developments and their impact since UNCTAD X: economic policy and challenges after Bangkok; and Development challenges of the future: rethinking development strategies, reshaping globalization.

6. At its closing plenary meeting, on 2 May 2002, the Board adopted guidelines for the functioning of the intergovernmental machinery of UNCTAD, took note of the stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action, and took note of the summary of the high-level interactive debates by the Minister for Foreign Affairs of Thailand and the conclusions on the Mid-term Review by the Secretary-General of UNCTAD. It also adopted by acclamation an expression of gratitude to the Government and people of Thailand for hosting the Mid-term Review.

Chapter I

Outcomes of the Mid-term Review

A. Review of the efficiency and functioning of the intergovernmental machinery

1. Chairperson's summary

7. Within the context of the UNCTAD Mid-term Review, the Trade and Development Board has reviewed the functioning of its intergovernmental machinery and has adopted the guidelines set out below in order to improve the machinery's efficiency. The guidelines should be implemented immediately and in a flexible manner to ensure maximum effectiveness.

8. The review process was not aimed at a renegotiation of the Bangkok Plan of Action. It sought to improve the intergovernmental machinery in order to enhance the efficiency and effectiveness of the implementation of the Plan of Action, the UNCTAD work programme and the follow-up of the results.

9. The purpose of the intergovernmental machinery is to favour consensus-building on issues related to the fields of competence of UNCTAD as the focal point within the United Nations for the integrated treatment of trade and development and the interrelated issues in the areas of finance, technology, investment and sustainable development.

10. The above objectives will be achieved by:

(a) Strengthening the substantive complementarities between expert meetings, Commissions and the Trade and Development Board;

(b) Improving synergies between the secretariat's structure and the Commissions;

(c) Improving the integration of intergovernmental and expert debate on the one hand and analysis and technical cooperation on the other;

(d) Improving reporting on the follow-up actions by capitals on the outcomes of expert meetings and Commission recommendations.

Overview

Achievements

11. Two full cycles of meetings have been completed since UNCTAD X, making a total of six cycles since UNCTAD IX, when the current structure of the intergovernmental machinery was established.

12. Expert meetings, and indeed the intergovernmental work of UNCTAD as a whole, has benefited from the participation of experts from capitals from developing countries, developed countries and countries with economies in transition.

13. Provisions for the financing of experts have directly facilitated the participation of experts from developing countries.

14. The expertise made available in expert meetings through experts speaking in their personal capacity has contributed to knowledge-based and frank discussions, as well as to consensus-building and sharing of experience.

15. Expert meetings have provided valuable inputs on topical issues for policy consideration by the Commissions, which in turn have made recommendations to Governments, the international community, and the UNCTAD secretariat.

16. Commissions have provided a very useful forum for an open exchange of views between delegations and the secretariat on the latter's implementation of Commissions' recommendations.

Problems

17. Although some expert meetings were well attended and produced valuable outputs, the overall impact of expert meetings has still not fully met the expectations of the Midrand reform. Possible factors contributing to this situation included the fact that experts were not always acquainted with the previous work of UNCTAD and that too much time was sometimes devoted to the negotiation of agreed conclusions.

18. There has been a decline in the participation of experts from all groups of countries. In the case of developing countries, an important factor in the decline in participation was the steep decline in resources available for financing experts.

19. The linkages between expert meetings and the Commissions have not been working well. In particular, having exactly the same topics on the agendas of the expert meetings and the Commissions has tended to encourage repetition in the discussions in the Commissions.

20. In the Commissions, a disproportionate amount of time has been spent on negotiating outcomes rather than on in-depth policy dialogue.

21. Commission sessions have not always attracted participation from capitals for their full duration. Some delegations felt that this problem was due to the non-binding nature of the outcome.

22. The follow-up, implementation and feedback on the recommendations and decisions of the Board, the Working Party on the Medium-term Plan and the Programme Budget and the Commissions have not been fully satisfactory. This has been particularly the case of decisions taken with respect to the use of the regular budget to finance the participation of experts in expert meetings, as well as courses related to the implementation of paragraph 166 of the Bangkok Plan of Action (TD/386).

23. Several substantive decisions that could have been taken within the guidelines will have to be addressed and resolved at a later date. The annex to the guidelines in particular refers to a decision to be taken by the Trade and Development Board concerning the financing of experts from the regular budget by the end of 2002. In order to comply with the mandate, such a decision should be taken not later than 30 November 2002.

2. Guidelines for the functioning of the UNCTAD intergovernmental machinery

Trade and Development Board

24. The Board's agenda should be more varied and flexible. During its next regular session, the Board will consider the issue of having two regular sessions, one in the spring, the other in the autumn.

25. The practice of having a high-level segment during a regular session of the Board should be continued. In establishing the provisional agenda, the Board will identify an item to be considered at a high level.

26. When appropriate, executive sessions will be used for substantive discussions and analysis of new challenges faced by developing countries, including discussions on recent developments and on issues of urgent or prominent interest, which could involve high-level panels. Such discussions should be reported on rapidly on the Internet and through press releases in all official languages.

27. An item on the follow-up to decisions and implementation of recommendations of the Board should be included in the agenda.

28. The Board will devote more attention to addressing concerns of least developed countries (LDCs). Following the publication of the *Least Developed Countries Report*, an executive session of the Board on LDCs not exceeding three days will meet to discuss the report and other thematic and sectoral issues of interest to LDCs. Its Sessional Committee on LDCs, adjusted accordingly, will continue to focus on coordinating, reviewing and monitoring UNCTAD-wide activities related to the implementation of the Programme of Action for LDCs for the present decade and discussion on substantive and analytical issues of interest to LDCs. The outcomes of these deliberations will be channelled to the Economic and Social Council and to the General Assembly as inputs into their respective reviews of the implementation of the Programme of Action.

29. Members reaffirm the need to continue the monthly consultations of the President of the Trade and Development Board and encourage the secretariat to include an information item on its activities.

Commissions

30. A Commission session should be devoted primarily to policy discussion on one or two main thematic issues. While considering the outcome of expert meetings, the Commissions should complement the issues dealt with by expert meetings, and avoid duplicating their debates as much as possible. Whenever possible, the Commissions should conclude their discussions within three days and in any case should not exceed five days. When appropriate, sufficient time should nevertheless be devoted to achieving a unified outcome. The Commissions should conduct a policy discussion on the basis of secretariat research, reports of expert meetings and other relevant inputs, including from panellists and from other intergovernmental organizations and civil society. The outcome of the discussions should also be placed within the appropriate policy context and framework.

31. For each substantive item on a Commission's agenda, the secretariat should prepare a background paper as an input to the discussion, and the Commission

should give a clear indication to the secretariat as to the type of background paper it would require.

32. When deciding on the nature of the outcome, a main objective should be to maximize the time devoted to substantive dialogue among government representatives so as to build consensus on issues within the competence of UNCTAD and reduce to the necessary minimum the time devoted to drafting exercises. The Bureau and the regional coordinators will indicate the nature of the outcome they seek from the Commissions. Whenever possible, the outcome should be a Chairman's summary reflecting substantive dialogue and separate concise recommendations to the UNCTAD secretariat. Further options for the outcome may include: principles, guidelines, best practices, agreed conclusions, and so forth.

33. Commissions' agendas will continue to include an item on follow-up and implementation of past recommendations. The secretariat will report on its implementation of recommendations addressed to it, and member States will be invited to report on their own implementation in statements to the Commission.

34. The outcomes of the Commissions' sessions will also be the subject of a broad dissemination effort, including on the Internet, in all official languages.

Expert meetings

35. When selecting or approving topics for expert meetings, the Commission concerned should consider, on a case-by-case basis, continuing discussions on a particular theme over a series of expert meetings, in order to build a network of experts and allow for more in-depth discussions.

36. Topics for expert meetings should be of immediate relevance. To this end, each Commission should establish clear terms of reference for its expert meetings. The outcome of expert meetings should reflect the substantive dialogue among experts from all parts of the world and general points of agreement with a view to building consensus on the issue.

37. Experts are nominated by Governments and participate in the expert meetings in their personal capacities.

38. The participation of experts from developing countries in UNCTAD expert meetings will be enhanced through the provision of predictable financial resources. Arrangements for the financing of experts from developing countries and countries with economies in transition are discussed in the annex to these guidelines.

39. The Secretary-General of UNCTAD is encouraged to invite to expert meetings experts from regional and international organizations, civil society, academia, and interested private institutions and enterprises.

Annex

Financing the participation of experts from developing countries and countries with economies in transition in UNCTAD intergovernmental expert meetings

Members agreed to find, by the end of 2002, a long-term solution for predictable financing of the participation of experts in intergovernmental expert meetings, taking into consideration the enhancement of the participation of experts from developing countries and economies in transition based on the principle of equitable geographical representation, beneficiary needs, in particular LDCs, and the expertise of the experts concerned. Accordingly, members agreed to continue the necessary consultations in the Working Party. In the event that a solution is not reached, a special session of the Board will be held to resolve the matter.

Members welcomed the commitments announced by a number of countries for securing the necessary extrabudgetary contributions to allow for the financing of experts in 2002. For this, members agreed that approximately $280,000 (at 2002 prices) per year will be required to allow 10 experts to attend the expert meetings in 2002 and 2003.

While welcoming this progress, member States also recognized the interrelationship between the short-term solutions (2002-2003) and reaching a long-term solution(s) that would ensure the availability of the necessary resources on a regular basis for financing the participation of experts in UNCTAD expert meetings.

B. Stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action

Introduction

40. The Trade and Development Board, at its twenty-fourth executive session on 12 May 2000, called for a review of the work of UNCTAD in the second quarter of 2002 midway between UNCTAD X and UNCTAD XI based on the indicators of achievement in the medium-term plan for the period 2002-2005.[1] These indicators are:

Indicator one: Timeliness, usefulness, degree of implementation, and quality of the subprogramme's research and analysis, as measured by readership and other surveys;

Indicator two: Member States' views on the practical value and impact on the development prospects of developing countries of policy recommendations, as expressed in the conclusions of the regular review of the work programmes undertaken by intergovernmental bodies;

Indicator three: The degree of implementation, effectiveness and impact of technical cooperation activities, as assessed by indicators contained in the relevant project documents.

41. At its forty-eighth session in October 2001, the Trade and Development Board determined that the Mid-term Review would consist of three interrelated pillars, namely, a review of the efficiency and functioning of the intergovernmental

machinery, stocktaking in respect of commitments and work programmes agreed to in the Bangkok Plan of Action, and a forward-looking policy statement on major developments of relevance to the work of UNCTAD. The second pillar of the review, the stocktaking exercise, was conducted in sessions of the Board from January to March 2002.

Context: international developments

42. Several major international conferences had taken place since UNCTAD X whose outcomes had an impact on the way UNCTAD worked. The Third United Nations Conference on the Least Developed Countries (Brussels, May 2001), which UNCTAD itself was responsible for organizing, agreed on a Programme of Action for the Least Developed Countries for the Decade 2001-2010,[2] which spanned the whole spectrum of development, including UNCTAD's own sphere of activity. The Fourth Ministerial Conference of the World Trade Organization (Doha, November 2001) launched the Doha work programme,[3] which included negotiations on a broad range of issues within the UNCTAD field of expertise. The outcome presented a particular challenge to UNCTAD to help ensure that the development dimension of this work programme was fully realized. The International Conference on Financing for Development (Monterrey, March 2002) established a new consensus and partnership between developed and developing countries on approaches to development in support of shared goals, including those of the Millennium Declaration (General Assembly resolution 55/2). Heads of State and Government committed themselves "to sound policies, good governance at all levels and the rule of law [...] to mobilizing domestic resources, attracting international flows, promoting international trade as an engine for development, increasing international financial and technical cooperation for development, sustainable debt financing and external debt relief, and enhancing the coherence and consistency of the international monetary, financial and trading systems",[4] all issues covered in the Bangkok Plan of Action. The New Partnership for Africa's Development (NePAD) initiative launched in 2001 showed a new approach to the development of Africa, with Africa itself driving the agenda. This initiative would be a high priority for Africa and its development partners in forthcoming years. Any successor arrangement to the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF), though not in place at the time of this stocktaking exercise, could be expected to draw heavily on the NePAD initiative.

Context: resources

43. The United Nations programme budget for the biennium 2002-2003, adopted by the General Assembly on 24 December 2001 (resolution 56/254), provided UNCTAD with two new posts for subprogramme 9.1B, "Development of Africa". However, it included significant reductions in the resources for UNCTAD in a number of areas, especially for consultants (46 per cent reduction). This would inevitably affect the technical work of UNCTAD. In December 2001, pursuant to paragraph 116 of the Programme of Action for the Least Developed Countries, the General Assembly, in its resolution 56/227, set up the new Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States in New York, which took over certain coordination, advocacy and support functions (see A/56/645) from UNCTAD. The new Office was partly staffed by the transfer of 10 posts from UNCTAD (ibid., para.

21), which would have a "negative impact on UNCTAD's analytical and technical work".[5] Concern was expressed during the Mid-term Review process about the impact of reduced resources.

44. Although the vacancy rate in the UNCTAD secretariat had been significantly reduced — to a level below the average for the United Nations as a whole — a number of key posts at senior management level had remained vacant for long periods.

45. Since UNCTAD X, extrabudgetary resources for technical assistance available to UNCTAD from all sources (United Nations Development Programme, bilateral trust funds and self-financing by beneficiaries) had remained broadly constant at around US$ 23 to 25 million per annum. An upswing in demand for technical assistance following the Fourth Ministerial Conference of the World Trade Organization (WTO) presented an important challenge for UNCTAD, both in positioning itself in the competitive market for donor funds and increasing efficiency to maximize its absorptive capacity for such funds.

Documentation

46. The innovative approach of document TD/B(S-XIX)/L.1, "Programme assessment for 2000-2001", prepared for the Mid-term Review was welcomed: it did not just detail activities undertaken but attempted to analyse the results obtained. However, the limitations inherent in self-assessments — a tendency to focus on achievements and to attribute shortcomings to external factors — were evident at times in the document. Subsequent assessments could also benefit from systematic measurement of impact using indicators of quality as well as quantity and improved gathering and full presentation of user feedback. The secretariat was encouraged to continue this effort with these points in mind.

1. Assessment of the work since UNCTAD X: lessons learned

47. Progress in the implementation of the four-year Bangkok Plan of Action was generally satisfactory, save in a few areas detailed below. The Plan itself had withstood the test of time. UNCTAD had been able to carry out a meaningful and useful programme of work based upon it; there was no suggestion during the Mid-term Review process that the Bangkok Plan of Action could not continue to provide the basis for an effective programme of work until UNCTAD XI. However, the breadth of the Plan, and the prevailing limitations on resources, gave urgency to the exercise of defining areas of emphasis and to fund-raising for priority activities.

Indicator one: Timeliness, usefulness, degree of implementation, and quality of the subprogramme's research and analysis, as measured by readership and other surveys

48. Review of the research and analysis undertaken on the basis of this indicator proved a difficult task. The results of readership and other surveys were not available for every subprogramme. The readership survey among member States, timed to be available for the Mid-term Review process, was disappointing for its low rate of reply. Since this indicator will remain the basis of assessment throughout the period of the medium-term plan for the period 2002-2005, it will be necessary to consider how to make it more effective. Some ideas are suggested in the concluding paragraphs of this section. On the other hand, during the Mid-term Review process

itself, member States provided much useful feedback on UNCTAD research and analysis that gave a clearer picture of its impact. This feedback is duly reflected in the present document.

49. Feedback on UNCTAD analytical publications since UNCTAD X was generally positive. They were found to have provided high-quality analysis and information and to have made a valuable contribution to policy dialogue at the international level, as well as to policy formulation at the national level. Unanimously favourable feedback was received on major analytical publications on investment under subprogramme 9.2. The annual *World Investment Report* had become a standard reference work for practitioners in developed and developing countries alike and a primary source of information on investment flows and the development issues they raise. The publication entitled *Positive Agenda and Future Trade Negotiations* issued under subprogramme 9.3 was well received. Many member States considered it a useful reference work, and called for it to be updated to reflect the most recent developments, notably the outcome of the Fourth Ministerial Conference of WTO. The new recurrent series publication under subprogramme 9.4, *E-Commerce and Development Report*, received positive feedback for its analysis and information on an issue of increasing importance. With so many players already present or entering this field, UNCTAD's focusing on its distinct niche was important. The *Least Developed Countries Report* under subprogramme 9.5 was valued by member States for both the analysis and the statistical information it provided, which were not available from any other source.

50. The major publication under subprogramme 9.1, the annual *Trade and Development Report*, made a contribution to the international debate on globalization, in particular on issues of relevance to developing countries. It had a different aim from the other major publications cited above: it sought to stimulate debate by providing an alternative view of events from UNCTAD's development perspective. It gave rise to mixed reactions from member States, agencies and the media. Its theme of reform of the international financial architecture had been found timely and useful by member States affected by financial crises.

51. The mandates provided by the Bangkok Plan of Action were extensive in relation to the resources available, particularly in subprogramme 9.3. Some member States felt that insufficient priority had been accorded to elements of the mandate of importance to them, such as special and differential treatment, preferences, or supply capacity in manufacturing and services. Similarly, some expressed the view that the immediate concern to respond to the needs of member States with technical assistance might have crowded out research and analysis; striking the right balance was important. The Bangkok Plan of Action broadened the work of UNCTAD on environment issues. The work accomplished in this area was well appreciated by member States, and valuable in the light of the forthcoming World Summit on Sustainable Development (Johannesburg, 26 August-4 September 2002).

52. It was repeatedly stressed that useful research and analysis need good and user-friendly presentation and wide and effective diffusion — including availability in translation — to reach all those who could benefit from them and attain their full impact. Some potentially useful studies had not been drawn to the attention of Geneva-based delegates who could have benefited from them. Member States continued to attach great importance to high-quality, up-to-date and multilingual

web sites and to the timely distribution of documents and flagship reports, respecting relevant United Nations rules on multilingualism.

Indicator two: Member States' views on the practical value and impact on the development prospects of developing countries of policy recommendations, as expressed in the conclusions of the regular review of the work programmes undertaken by intergovernmental bodies

53. As regards the feedback by member States on the work carried out during the biennium 2000-2001 in the Commission on Investment, Technology and Related Financial Issues in January 2002,[6] member States generally appreciated both the analytical and technical cooperation work in this area, citing several concrete benefits provided by the programme. Satisfaction was expressed on the dissemination efforts made. In the Commission on Trade in Goods and Services, and Commodities in February 2002,[7] member States welcomed the large amount of work accomplished and some indicated areas of importance for them in future work, particularly on agriculture. The need for a more proactive approach in promoting the quality work undertaken by the programme was underlined. In the Commission on Enterprise, Business Facilitation and Development in February 2002,[8] several member States emphasized the need to follow up the implementation of policy recommendations made.

54. The assessments made by the Commissions concentrated largely on the work of the secretariat. Little evidence was presented on the practical value and impact on the development prospects of developing countries — or indeed the extent of implementation — of policy recommendations at the national level and to the international community such as those agreed at previous sessions of the Commissions. The *Progress reports on the implementation of agreed recommendations* submitted to the Commissions[9] tended to focus on the recommendations made to the secretariat. Since the process of arriving at these policy recommendations is a resource-intensive one, this aspect will require further attention. Some suggestions are included in the final paragraphs of this section for further discussion.

Indicator three: The degree of implementation, effectiveness and impact of technical cooperation activities, as assessed by indicators contained in the relevant project documents

55. A wealth of feedback on technical cooperation activities was provided for and during the Mid-term Review. It is to be noted, however, that indicators had not been systematically included in all technical cooperation project documents, and that where they had, they tended to measure quantity rather than quality. Systematic use of indicators, and refinement of existing indicators to measure qualitative as well as quantitative aspects, would facilitate assessment of impact.

56. Demand for UNCTAD technical assistance remained strong and feedback was mostly very positive. Its Debt Management and Financial Analysis System (DMFAS) and Automated System for Customs Data (ASYCUDA) were now the market leaders worldwide. Assistance provided to member States on issues relating to the multilateral trading system, such as the Commercial Diplomacy programme and the Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP), was well appreciated. The fact that beneficiary countries themselves were providing funding for some programmes (e.g.

technical support to the Intergovernmental Group of 24 on International Monetary Affairs) showed that they considered that UNCTAD was providing high-quality services of direct relevance and value to them. Concrete evidence of the benefits produced at the country level (e.g. improvement in clearance times achieved thanks to ASYCUDA) was also presented during the Mid-term Review.

57. Efforts to follow through studies and policy advice with intergovernmental discussions and support to implement recommendations, such as in investment policy reviews, international investment agreement programmes and work on transnational corporation-small and medium enterprises (TNC-SME) linkages, were commended. Further use could be made of well-established capacity-building programmes and their networks, such as TrainForTrade and EMPRETEC programmes, as channels for the diffusion of the results of research and analysis and for the provision of technical assistance in a more integrated manner.

58. Joint programmes with other organizations, such as the United Nations Environment Programme (UNEP)-UNCTAD Capacity-Building Task Force on Trade, Environment and Development (CBTF), or with civil society, for example in trade facilitation or commodity diversification, were an effective means of delivering mandates and maximizing the impact of UNCTAD's work. In some cases, the "coordination cost" was heavy, particularly in the early stages: the pilot scheme of the Integrated Framework was an example. However, where the aim of such cooperation was sufficiently important — as was the case with the mainstreaming of trade into development strategies — the initial input was justified by the potential benefit for the countries concerned. UNCTAD was encouraged to see these efforts through to a successful conclusion.

59. The slow rate of implementation of paragraph 166 of the Bangkok Plan of Action gave rise to concern: only 18 people had received training in the two years since UNCTAD X. Although the preparation of course material and administrative support for the courses, as well as the provision of resource persons from the secretariat, had been absorbed into the regular programme as foreseen, there had been a misunderstanding about the availability of resources from the United Nations programme budget to fund the travel and lodging of trainees. Training had only been able to take place thanks to the generosity of a bilateral donor. This called for new efforts and fresh thinking in the coming period to deliver this mandate in an effective and cost-efficient manner.

60. The success of the larger technical assistance programmes — DMFAS, ASYCUDA and the Advance Cargo Information System (ACIS) — had caused them to grow into sizeable "enterprises" in their own right. This raised the question of whether they should operate more independently. For the time being it was still judged important to retain them within the existing structure so that the experience gained in their implementation could feed into the other areas of activity of the organization, research, analysis and consensus-building. However, this question could usefully be revisited in the future. When operation-oriented programmes were assessed as having reached a certain stage of maturity, a gradual shift of ownership to stakeholders could be an option, following the model of the Trade Point programme.

61. The steps taken to promote the self-sustainability of the major technical cooperation programmes were beginning to yield results in some areas, and the secretariat was encouraged to pursue them.

62. The manner in which UNCTAD had responded to the mandate in paragraph 164 (vi) of the Bangkok Plan of Action on the internal coordination of technical cooperation activities, by conducting an internal review by a team of staff members within the secretariat, was commended. Member States attached great importance to strong internal coordination and dialogue with stakeholders, and looked forward to further interaction with the secretariat on the review's recommendations and their implementation.

Other programmatic issues

63. The initiative taken at UNCTAD X to establish subprogramme 9.1B on development of Africa had started to bear some fruit. Studies produced by the subprogramme[10] had contributed to cooperation frameworks on development of Africa. Although they gave rise to mixed reactions, they were appreciated by many African countries as being useful for policy formulation. The small subprogramme had added value by adopting the working method of drawing on expertise across the secretariat and pulling together the results obtained.

64. During the months leading up to the Mid-term Review, the work programme of subprogramme 9.5 was adjusted[11] in response to the transfer of resources to the new Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States in New York. The new direction of the subprogramme, focusing on areas where it could add most value, was generally welcomed, although many called for the *Least Developed Countries Report* to remain an annual publication. Like subprogramme 9.1B, this subprogramme would be drawing on expertise across the secretariat to deliver its mandates, using focal points in each division, thus ensuring further mainstreaming of the issues and creating synergies, particularly with subprogramme 9.1B, which shared many of the same clients.

65. The initiatives taken by the secretariat since UNCTAD X on other cross-cutting issues were welcomed. On gender, the holding of an expert meeting and the subsequent decisions made to incorporate a stronger gender dimension into the work of all divisions through the creation of focal points should, with appropriate follow-up, serve to enhance this aspect of UNCTAD's work. The interest of civil society organizations in participating in UNCTAD meetings had been growing, and efforts to foster constructive interaction should be pursued within relevant United Nations rules. The closer involvement of civil society in the implementation of programmes — mentioned elsewhere in this report — was positive. The efforts made under various technical cooperation programmes such as JITAP to involve a wide range of stakeholders, including civil society, in the trade policy process were highlighted and welcomed by beneficiary countries. This was one of the ways in which UNCTAD was delivering its mandate of ensuring sound public administration; the bilateral dialogue with beneficiaries of major technical cooperation programmes was another.

66. The importance of "lesson-learning" in all areas was stressed, from the organization of conferences to the consolidation of technical cooperation programmes through regular independent evaluations and the implementation of the resulting recommendations. This contributed not only to the continuous refinement of output but also to maintaining and broadening support.

2. Direction and areas of emphasis towards UNCTAD XI

67. It was emphasized repeatedly during the Mid-term Review process that the special expertise of UNCTAD — which was highly valued by member States from developed and developing countries alike — was its focus on the integrated treatment of development and trade, finance, technology and investment. It follows that further efforts to develop this focus, which sets UNCTAD apart from other organizations, are likely to enhance the delivery of mandates. Initiatives to "decompartmentalize" UNCTAD's work, to strengthen the links between research, consensus-building and technical assistance, to promote greater integration within divisions and between divisions as through the Task Force on Trade, and to integrate technical cooperation activities into a more cohesive package could all assist this effort, which would also give UNCTAD a stronger profile.

68. Throughout the Mid-term Review process the urgency of supporting developing countries in the current and forthcoming negotiations in WTO — support which would encompass all three areas of UNCTAD's activity, namely, research and analysis, consensus-building and technical cooperation — was stressed. This was one of the main areas of emphasis for the period up to UNCTAD XI. UNCTAD had already responded to demand by drawing up an organization-wide "Post-Doha Technical Assistance and Capacity-Building Plan". The ability of UNCTAD to synthesize information from different sources within its programme and thereby clarify the policy options for developing countries was much valued. Initiatives such as the selection of the theme of trade for the *Trade and Development Report 2002* were timely. This priority should guide the selection of topics for research and analysis on issues from the Bangkok Plan of Action, which should aim to provide developing countries with material to aid policy formulation. Immediate priority issues for member States included agriculture, services, special and differential treatment, and tariffs and non-tariff barriers because of the WTO deadlines. Equally important was the further effort to integrate existing capacity-building activities in different parts of the organization into the overall framework so as to maximize their effectiveness, and better use of existing delivery channels and networks. Post-Doha capacity-building undertaken with extrabudgetary resources should build on and not displace regular work, since it was the latter which gave UNCTAD a comparative advantage in this area.

69. It was equally important to ensure that developing countries were able to take advantage of existing and future opportunities by enhancing their productive capacity and improving their competitiveness. UNCTAD had a number of assets in this area, including its expertise on commodities, services, investment, technology, competition, electronic commerce, enterprise development, trade facilitation, and human resources development in various areas within its mandate. These could be deployed to assist developing countries to enhance competitiveness and achieve their further integration into the global economy. The new direction of subprogramme 9.5, which emphasized assistance to its client countries in their integration into global trade through strengthening supply capacity, promoting diversification of exports and assisting human and institutional development in trade-related areas, was welcomed in this regard.

70. It was emphasized that UNCTAD could not carry out these tasks alone or in isolation. Close cooperation among all agencies and donors involved in the provision of trade-related technical assistance would be essential to ensure that

efforts were complementary and to achieve the greatest impact. The prevailing limitation on resources and absorptive capacity called for a sharper focus on areas of comparative advantage such as the priority areas identified for the three Commissions.[12] These should be clearly defined and marketed, including in fund-raising efforts. The needs were great, but it was vitally important to ensure that new initiatives were demand-driven and in line with the developing countries' own development strategies and priorities.

71. Also stressed was the importance of following up the outcomes of the Third United Nations Conference on the Least Developed Countries. The request to establish an inventory of commitments from the Brussels documents and assess them, with a clear division of labour between UNCTAD and the new Office of the High Representative, was reiterated. The course set out for subprogramme 9.5 involving more focus on sectoral and substantive work with the contribution of all parts of the secretariat was welcomed.

72. UNCTAD delivers its mandates via research and analysis, intergovernmental discussion and technical cooperation. Strengthening linkages between these three modes of delivery could enhance the policy relevance of its work. Several good examples were highlighted, such as the work on competition or investment. On the issues relating to multilateral trade negotiations in particular, technical assistance and consensus-building could be backed up more effectively by relevant research and analysis. Selection of topics for expert meetings for policy relevance — an issue also discussed in the first pillar of the Mid-term Review — was important.

73. Many new ideas were put forward on paragraph 166 of the Bangkok Plan of Action during the Mid-term Review process to enhance the delivery and cost-effectiveness of training and the capacity-building effects for developing countries. Through the courses, expertise could be built in the regions to ensure greater continuity and access. Cooperation with institutions in developing countries, regional institutes and organizations, including through South-South cooperation, was one way to achieve this; some use of distance learning was another option to be considered. These would be discussed further in the Advisory Body set up in connection with paragraph 166. With good preparation and efficient and prudent use of resources, the training foreseen under paragraph 166 could be a valuable tool for strengthening capacity-building, identified as a priority by many developing countries. The resources now available from section 33 of the United Nations programme budget made it possible to provide more courses in the biennium 2002-2003 at lower per capita cost, but did not resolve the question of the long-term sustainability of this activity.

74. The outcome of the International Conference on Financing for Development (Monterrey, March 2002) underlined the centrality of the issues covered by UNCTAD to international efforts to promote development, reduce poverty and achieve internationally agreed development goals, including those of the United Nations Millennium Declaration. It provided new impetus to UNCTAD's work. Member States looked forward to further discussion in the third pillar of the Mid-term Review of UNCTAD's contribution to the achievement of the aims set out in the Monterrey Consensus.

3. Lessons from the use of indicators of achievement

75. The indicators of achievement used as a basis for the stocktaking exercise of the Mid-term Review were those of the medium-term plan for the period 2002-2005. This exercise provided an opportunity to test their effectiveness in measuring the achievements of the subprogrammes.

76. Indicator one, on its own, did not provide sufficient evidence for an effective review. Yet feedback from member States on the relevance and usefulness of UNCTAD research and analysis for policy formulation was essential to assist the secretariat in its efforts of continuous improvement. Possible avenues to explore would be refining the timing of readership surveys, or concentrating on a limited number of key publications. Another option would be to conduct focused reviews on selected publications with a limited but representative group of governmental experts familiar with policy formulation in the areas concerned.

77. Indicator two proved the least effective because of the paucity of feedback on the implementation of policy recommendations at the national level and to the international community, and the consequent impact. It proved difficult to elicit responses from member States and agencies on these recommendations, perhaps because of their generic and non-binding nature. To obtain feedback a more proactive approach might be considered, for example country case studies by the secretariat, although the resource implications would have to be considered.

78. Indicator three could be fully effective only if all technical cooperation documents contained indicators of achievement. Moreover, these indicators should be selected to provide evidence of qualitative as well as quantitative benefits. This kind of evidence also assists programme managers in their efforts to refine programmes and can, as was emphasized during the Mid-term Review, help to maintain and broaden support for them.

79. One avenue which could be explored in order to enhance the assessment of UNCTAD's work was the extension of in-depth evaluations to incorporate research and analysis as well as technical cooperation. The in-depth evaluation of a technical cooperation programme conducted annually by the Working Party on the Medium-Term Plan and the Programme Budget had proved an effective tool to identify course corrections and provide guidance. Any broader evaluation which had precedents and was in line with relevant United Nations rules and regulations could be taken up by the intergovernmental machinery, for example by the Commissions in the context of their regular programme reviews. This suggestion would require further discussion.

80. It is generally recognized that indicators relating to policy, be they at the national or the international level, are more challenging to identify than those relating to delivery of tangible outputs such as certain types of technical assistance. The area of policy research is particularly challenging. Discussions are under way in the United Nations on experience with indicators for the review of programme performance and the implementation of the Millennium Declaration road map (A/56/326). The Joint Inspection Unit is conducting a study. The issue, and the ideas suggested in the foregoing paragraphs, could usefully be examined by the Working Party on the Medium-term Plan and the Programme Budget at a future meeting, when this study becomes available.

C. Summary of the high-level interactive debates and policy dialogue by the Minister for Foreign Affairs of Thailand

81. As we draw to the close of UNCTAD's Mid-term Review here in Bangkok, I think I can safely say that our discussions have provided all of us with a real opportunity to exchange views and to learn from each others' experience and ideas.

82. As we all know, this is a crucial time for all our countries in terms of their development, in terms of the challenges they are facing and in terms of seeking out the path that we will follow in the coming years.

83. The timing of the Mid-term Review is unique in that it is one of a series of high-level meetings taking place this year. I am thinking of the International Conference on Financing for Development in Monterrey and the upcoming World Summit on Sustainable Development in Johannesburg. Each event provides us with the opportunity to further build consensus and pursue practical approaches, hopefully towards more general agreement on the critical issues raised here.

84. In order to enhance the impact of our deliberations in our interactive debates, I would like to make an attempt to summarize some of the main concerns raised. Of course no summary can ever be fully satisfactory to all but I hope that this summary, which will be circulated later as part of the report of the meeting, will succeed in touching on at least most of the issues discussed. In my summary, I will refer to seven main areas — global trends, international trade and the multilateral trading system, financing development, enhancing supply capacities, poverty alleviation and grass-roots development, governance and coherence, and finally the role of UNCTAD.

Global trends

85. At UNCTAD X, we deliberated on the risks and challenges of globalization and agreed on development strategies for an increasingly interdependent world. We concurred that globalization is an ongoing process that presents opportunities as well as risks and challenges. Rapid economic globalization, as a result of technological advancement and liberalization of international trade, finance and investment, has led to an expansion of global economic growth and development. The imbalances of the globalization process, however, also produced severe adverse effects on the development process of many less developed countries, which are unable to adjust themselves to the fast pace of globalization.

86. The global economy has exhibited an uneven performance since then, with variations both between developed and developing countries and among developing regions. The recovery in Asia, which was already visible at UNCTAD X, has continued, but this has not been matched in much of Africa or Latin America. However, all developing countries have been vulnerable to the global slowdown, which began last year, and particularly those with strong links to the trading system. Fortunately, that slowdown has been less severe than many had feared, and there are again signs of a recovery taking place.

87. The experience of the past two years confirms the need for a more collective approach to the economic challenges of a more integrated world. A number of international conferences since UNCTAD X have confirmed the desire to pursue such an approach, with positive outcomes registered notably at Brussels, Doha and

Monterrey. There are also signs that the rich countries are more willing to support the development challenges of the weakest members of the global family of nations, for example the European Union's initiative on "Everything but Arms" and the promised support for the New Programme for African Development. The strong show of solidarity after the tragic events of 11 September 2001 is a further demonstration of the benefits which derive from moving in this direction.

88. Nevertheless, the downside risks facing developing countries remain significant, as witnessed by the economic problems in Argentina. Commodity prices continue to decline and fluctuate sharply, posing grave problems for many poor commodity-dependent countries. With poverty still the big challenge for most developing countries the task facing the international community remains to strengthen the multilateral approach to development and in particular to ensure the pivotal role of the United Nations system.

International trade and the multilateral trading system

89. Trade is an important component of development strategies, perhaps more so than in the past. Placing the development dimension, including the need to break supply constraints on exporting, at the centre of the work programme launched in Doha, stands as both a recognition of past failures and a measure of any future commitments. Translating this into practice is still surrounded by uncertainties. Many developing countries continue to struggle with the commitments made in the Uruguay Round, and implementation by developed countries has not met expectations. Moreover, protectionist trends have resurfaced in the industrial countries, and in areas, such as steel and agriculture, of direct interest to developing countries.

90. Not surprisingly, most developing countries feel that improved market access by the major importing countries in areas of interest to developing countries is key to achieving a successful outcome to multilateral trade negotiations. In this respect, both tariff and non-tariff barriers remain a focus of their concerns. For agriculture, massive subsidies distort markets and render competition impossible for many developing countries. In light of the differences among countries in their capacity to compete on international markets, special and differential treatment also needs to be strengthened as part of the multilateral trading rules. Moreover, the accession process needs to be facilitated, particularly for LDCs.

91. Regional trade arrangements also provide significant benefits. The interrelationship of regional arrangements with bilateral and multilateral ones is an issue to be examined.

92. In all these areas, technical assistance for capacity-building needs to be strengthened, not only to allow developing countries to participate more effectively in the negotiation process but also to enable them to benefit from the opportunities provided by the trading system. UNCTAD has a key role to play in this by pursuing the development dimension of trade negotiations, including through reinforcement of its assistance through the Integrated Framework for Trade-related Technical Assistance.

Financing for development

93. Globalization means that trade can no longer be dealt with independently from finance. This was made clear at the Monterrey Conference, which adopted an integrated approach to financing for development.

94. Over the past two decades, the integration of financial markets has seen a significant shift to private capital flows. This was expected to encourage smoother integration into the world economy, particularly by developing countries. However, in the absence of global financial arrangements to better manage their rise, increased private flows have been accompanied by increased volatility and have become a major source of contagion for economic shocks across the developing world. In moving towards new arrangements, stability of flows should be given sufficient attention. The international effort to reform the international financial architecture needs to be strengthened to make the financial system more stable and conducive to trade and development.

95. Financial liberalization needs to proceed cautiously and should be tailored to specific country conditions, with careful attention paid to the sequencing of reform. Furthermore, financial flows continue to be very heavily influenced by the policies of the leading industrial countries. Greater policy coherence in these countries is essential for achieving a more stable international financial environment. Unfortunately, progress in this direction has remained slow.

96. Foreign direct investment (FDI) is relatively more stable than short-term private flows and it can embody technology transfer and other benefits. Private capital flows, in whatever form, have been heavily concentrated in a small number of emerging markets. In this respect, for those countries, particularly LDCs, that find it difficult to attract private inflows, measures to attract direct investment may not prove successful and instead give rise to the danger of excessive competition. Better supportive measures by home countries could contribute to addressing geographical and sectoral imbalances in FDI flows. If negotiated, international frameworks on FDI should be designed so as to service development.

97. Official development assistance (ODA) remains key to the growth prospects of many developing countries, particularly LDCs. The Monterrey Conference heralded a welcome change of spirit among some donor countries, although new conditionalities linked to increased ODA could further marginalize some countries if reforms are made a precondition for aid. The burden of debt continues to limit development prospects in many of these same countries, and further progress needs to be made on debt forgiveness.

98. Lack of proper physical infrastructure remains a major obstacle to development for many developing countries. Means to finance infrastructure development need to be found.

Enhancing supply capacities

99. Trade liberalization opens up possibilities for export growth, but successful entry into import markets requires considerable improvements in supply capacity for many developing countries. For many countries, diversification is the key challenge here. Reliance on primary commodities is still an obstacle to development, particularly in LDCs and Africa, where higher value added and more processed

exports are key to faster growth. Measures to deal with declining commodity prices and alleviate difficulties caused by excessive price fluctuations are called for.

100. The knowledge gap and the digital divide comprise a major source of anxiety for policy makers in developing countries. Closing these gaps and upgrading technological capacity are necessary for taking advantage of opportunities arising from globalization. FDI can be one source of technology transfer but it has not fully met the expectations of many host countries, for example owing to insufficient local linkages.

101. But in the end successful integration can only follow from having in place a viable domestic enterprise sector. For this, capacity-building and human resource development are indispensable.

102. In this era of globalization with increasing economic interdependence, closer economic and technical cooperation among developed and developing countries at bilateral, regional and multilateral levels is becoming a major force for economic and social development. Regional approaches and partnerships, as exemplified by the establishment of the International Institute for Trade and Development, can be effective in this respect.

Poverty alleviation and grass-roots development

103. Poverty alleviation is the primary aim of development, as agreed in the Millennium Declaration. A strategy aimed at strengthening productive capacity must be people-centred, giving full recognition to the social dimension of development. To this end, initiatives to foster grass-roots development, such as micro-financing, merit attention. The domestic sector must be able to benefit from increased trade.

Governance and coherence

104. The challenge facing policy makers everywhere is to make globalization work for all. This requires, first of all, domestic policies conducive to development and good governance. Coherence of macro- and micro-level policies is also important. Listening to different views of civil society may provide significant insights.

105. With globalization, good governance at the domestic level alone is not enough. The need has become more acute for greater coherence and consistency at the multilateral level, with enhanced participation of developing countries in global decision-making. This is the case for trade, finance and investment.

Role of UNCTAD

106. UNCTAD, in accordance with the Bangkok Plan of Action adopted at UNCTAD X, should continue to act as a forum for intergovernmental discussions and deliberations and consensus building, undertake research, analysis, and data collection, and provide technical assistance tailored to the needs of the developing countries.

107. As the focal point within the United Nations for the integrated treatment of trade and development and the interrelated issues in the area of finance, investment, technology and sustainable development, UNCTAD has clearly been mandated to carry out this very important task. All development partners and related

organizations are called on to support UNCTAD in meeting the increasing demands made on it.

108. This completes my summary. I would like to conclude by saying that it has been an honour and a pleasure for the Government and people of Thailand to host this Mid-term Review and to receive all of you once again here in Bangkok. You all know Thailand's devotion to the objectives of the United Nations and of UNCTAD and it is therefore particularly satisfying to give concrete expression of our support in this manner.

109. Our goal, from the earliest stages of the preparations for this meeting, was always to provide all of us with an opportunity to come together and advance our thinking on some of the major issues on the international agenda today. I for one believe that this goal has been fully attained and my earnest hope is that you share this view. May I thank you for your participation in this meeting and wish you every success in your endeavours to promote global development benefiting everyone.

D. Conclusions on the Mid-term Review by the Secretary-General of UNCTAD

110. Like the wonderful Thai food we have been enjoying during our stay in Bangkok, it is impossible to capture in just a few words all the subtle flavours of the debate that has taken place here over the past two days. Let me, rather, in these closing remarks, reflect on the wider menu of issues served up, as we begin to turn our thoughts to UNCTAD XI.

111. This Mid-term Review has taken place in the wake of three very significant international conferences in Brussels, Doha and Monterrey. These conferences have, I believe, pointed to a shift in thinking on international economic relations in at least two very important respects. In the first place, they have acknowledged the need to bring the development dimension back into the discussion on managing international trade, finance and investment so as to allow developing countries to realize their full potential in a globalizing world. Secondly, they have recognized the need on the part of governments and policy makers in developing countries to take greater responsibility for their own economic actions and destinies.

112. Having listened to the various interventions during the past two days, the fundamental task now before us is to find a constructive and coherent approach to meeting these two challenges. I would like to begin with one of the many insightful comments made by the Prime Minister of Thailand when he opened our meeting. He asked us to stop looking at globalization simply as free, unfettered trade in goods and services and liberal unlimited capital movements, but instead to view it as the constant interaction of the strengths and excellences of each society. From this standpoint, the real opportunities in the global system lie with the tremendous richness and diversity of its peoples, institutions and nation States. Respect for this diversity must, as the Prime Minister remarked, be embraced with full sincerity by the international community if we are to enjoy a more prosperous world in which all communities have a full share.

113. In practice, this means that we can no longer approach the difficult policy issues facing developing countries by recommending a common blueprint, whereby one model of rapid liberalization of trade, finance and investment is applicable to all

countries and occasions. Such an approach neglects the role of domestic policies and institutions in building the capacity needed to help countries better manage their integration into the global economy and facilitate their efforts to create wealth and meet social challenges. Listening to this week's debates, I am convinced that developing countries are more than willing to take on full responsibility for their own economic destinies, but doing so requires that they be allowed to use the range of policy instruments that helped today's advanced countries attain their current high levels of income and standards of well-being.

114. In this connection I would like to remind you that Raúl Prebisch, the founder of UNCTAD, always insisted that the ultimate responsibility for the development of developing countries was in the hands of the developing countries themselves. In all his UNCTAD statements, he always asserted that it was the central responsibility of each government and each people to rely on itself while at the same time seeking the necessary assistance of the international community. So we have no quarrel — on the contrary — with the centrality of national policies and national efforts to build real development.

115. When UNCTAD was established some 40 years ago, the growth target for developing countries was 5 to 6 per cent a year. The East Asia region has demonstrated that this is neither an unreasonable target nor an impossible dream. Sadly, however, that target has not been met by most other developing regions. And according to some estimates, it will have to be set even higher today if the economic and social goals of the United Nations, as set out in the Millennium Declaration, are to be met within the established time frame. So we have to reflect on this contrast and draw our conclusions. If only a few countries and a few regions are able to meet the growth target, this seems to indicate that the door is there, but the opening is too narrow. So at the same time we have to try to enlarge the opening with the necessary reforms in the external environment and to redouble the efforts of national economies worldwide in order to learn from the successful experiences in development and make the most of existing opportunities.

116. As I have already mentioned, rethinking development strategies to allow for greater policy space must mean that governments in developing countries take full responsibility for their actions. This calls for measures aimed at improving the efficiency and transparency of domestic institutions, fiscal and monetary discipline and the effective use of macroeconomic policies to strike the right balance between price stability and growth. It also requires a variety of strategic supply-side policies to build productive capacity, particularly in the export sectors. I wish again to stress the need to build useful links between trade negotiations and the strengthening of the productive sector. Rather than merely awaiting the outcome of the negotiations, this means actively starting to build the capacity to export, and to do so even before the negotiations conclude. The point is to ensure that the negotiations really produce results in those areas where developing countries can increase their capacity to export and to take advantage of trading opportunities. This means, among other things, that a defensive, negative or recalcitrant attitude is totally inappropriate for developing countries. On the contrary, they should adopt a very proactive attitude. They should formulate their positions in accordance with their trading interests and they should negotiate those positions in terms that will lead to a successful conclusion and to the incorporation of those interests in the outcome of the Round.

117. However, this also implies a shift in perspective away from some of the policies advocated in recent years, which have been the driving force behind some of the advice to developing countries. Exactly how that space is enlarged remains to be determined. The UNCTAD secretariat has presented some thoughts in the Issues note prepared for the interactive debates, drawing on successful development experiences. But real progress here can take place only when developing countries are fully involved as equals in shaping their development objectives and policy options.

118. Clearly, in a world of increased interdependence no country can put its own house in order without paying heed to the conditions prevailing in the international economy. The trade-off between domestic and international responsibilities is, of course, a difficult one, but, there is no doubt that at the Bretton Woods Conference in 1944, the thinking on multilateralism was that adverse international pressures should not be absorbed through measures sacrificing growth and employment. Later, UNCTAD was founded on the recognition that the prosperity of each hinges on the prosperity of all, and that special attention must be paid to systemic biases and asymmetries that impede trade and development prospects in poorer countries. Here I would like also to remind you that we have always said in UNCTAD that globalization without interdependence will lead to a worsening of the conditions for development. But the term "interdependence" has different meanings. Of course, it may just have a factual meaning, describing the reality that countries all depend on each other, although in this respect, of course, some are more dependent than others because they are less self-reliant. But interdependence also means that we have to create conditions of prosperity, of economic growth, that will lift all boats. And this is why we have always believed that the precondition for the successful development of developing countries is also an accelerated rate of growth in the industrial economies that will allow those countries to provide space, markets, capital and technology to developing countries. So interdependence has to be inseparable from globalization in this meaning as well.

119. Needless to say, interdependence has deepened since the founding of UNCTAD, and today the challenge of achieving coherence between trade, finance, investment and technology is, arguably, greater than ever. Indeed, it is all the greater today because over the past two decades the tendency has been to subordinate the goals of growth, employment and development to the exigencies of global market forces. In many respects, this shift arose from the difficult conjunctural challenges faced by many countries, both developed and developing, during the 1970s and 1980s.

120. But recent experience has raised questions, particularly from developing countries, about the effectiveness of current multilateral economic arrangements and the need for reforms to restore a greater degree of coherence. We have to learn how to reduce and manage the instability and uncertainty that arise from the international economy. The best way to do so is to improve the current arrangements in international trade and finance, taking full advantage of the negotiations at hand. In this respect, I would like to stress that the trade negotiations launched in Doha provided us with an important opportunity that should not be missed — an opportunity to achieve a positive conclusion from the development perspective in the negotiation of issues that have been long outstanding for many years and for many Rounds. This is why they were called the "unfinished business" of the Tokyo Round, and subsequently also became the unfinished business of the Uruguay

Round. So now we should take action, because many of the comments I have heard during the interactive debates reflect deep-seated frustration with the results of past Rounds. And of course we now have to do better if we want to create conditions that will allow developing countries to carry out the domestic reforms that they need to adopt in face of mounting international pressures and constraints.

121. UNCTAD, as the focal point within the United Nations for the integrated treatment of trade and development and all interrelated issues, is eminently well placed to listen and respond to those concerns. Indeed, we have as our raison d'être to think globally and from a development perspective and at the same time to use trade as a potent instrument for economic development. This is why "trade" is part of UNCTAD's name, because trade is a central concern and UNCTAD believes in trade. UNCTAD believes that developing countries are entitled to more trade, in terms of both quantity and quality.

122. Issues that fall under this mandate have changed over the years, and UNCTAD has made an effort to address them as they impinge on the economic performance and prospects of developing countries. In the past few years, the question of financial instability has come to the fore, and UNCTAD has been in the vanguard, tackling this issue from a development perspective. Here I would like to call your attention to the fact that years ago, at the start of the 1990s, UNCTAD was to my knowledge the only international economic institution to predict, immediately after the fall of the Berlin Wall, that the decade would be characterized by the frequency, the intensity and the destructive force of financial and monetary crisis. So no one can deny that we warned the international community well before this instability began to be felt.

123. As global and national policy issues continue to evolve, however, the emphasis must naturally shift to respond to the needs of member States. Greater and more effective participation in the global trading system based on strengthened domestic capacities is now moving to centre stage for many developing countries. Still, it is imperative that we not lose sight of our commitment to an integrated approach.

124. In this spirit, I would say that two key questions will occupy our thoughts and endeavours in the run-up to UNCTAD XI. First, what kind of international arrangements will be needed to give developing countries the policy space and the concrete opportunities, the trade opportunities, to address the basic issues of poverty alleviation and closing the income gap? And second, what kind of domestic policies and institutions will be needed in each country to generate the capacity to meet these challenges?

E. Expression of gratitude

Draft resolution submitted by the President of the Board

The Trade and Development Board,

Meeting in Bangkok to conduct the Mid-term Review relating to UNCTAD X,

1. *Expresses its profound gratitude* to the Government and people of Thailand for hosting the Mid-term Review;

2. *Acknowledges with deep appreciation* the commitment of the Government and people of Thailand to the purposes and principles of the United Nations;

3. *Recognizes with great satisfaction* the direct contribution made by the Government of Thailand to the success of the Mid-term Review;

4. *Thanks* the Government and people of Thailand for the warm hospitality shown to all participants;

5. *Expresses its appreciation* to the United Nations Economic and Social Commission for Asia and the Pacific for its cooperation in providing the setting for the Conference.

Notes

[1] *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 6* (A/55/6/Rev.1).

[2] A/CONF.191/11 of 8 June 2001.

[3] WT/MIN(01)/DEC/W/1, /2 and /10 of 14 November 2001.

[4] See paragraph 4 of the Monterrey Consensus (*Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex).

[5] Agreed conclusions of the thirty-eighth session of the Working Party on the Medium-Term Plan and the Programme Budget, TD/B/49/2-TD/B/WP/148 of 4 February 2002.

[6] TD/B/COM.2/40-TD/B/EX(28)/3 of 27 February 2002.

[7] TD/B/COM.1/49-TD/B/EX(28)/4 of 21 February 2002.

[8] TD/B/COM.3/46-TD/B/EX(28)/5 of 1 March 2002.

[9] TD/B/COM.1/48, TD/B/COM.2/39 and TD/B/COM.5/45 of 21 December 2001.

[10] "Capital flows and growth in Africa" (TD/B/47/4-UNCTAD/GDS/MDPB/7 of 27 July 2000) and "Economic development in Africa: performance, prospects and policy issues" (TD/B/48/12-UNCTAD/GDS/AFRICA/1 of 1 August 2001).

[11] TD/B/49/2-TD/B/WP/148 of 4 February 2002.

[12] Decision of the Trade and Development Board at its twenty-eighth executive session on 12 March 2002.

Chapter II
Proceedings of the plenaries of the Board

A. Mid-term Review

1. For its consideration of this item, the Board had before it the following documentation:

(a) "Review of the efficiency and functioning of the intergovernmental machinery" (TD/B(S-XIX)/4);

(b) "Stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action" (TD/B(S-XIX)/3);

(c) "Interactive debates and policy dialogue in the context of opportunities and challenges of new policy developments of importance since UNCTAD X" (TD/B(S-XIX)/2);

(d) "Trade and investment in Asia and the Pacific: recent trends and emerging issues" (TD/B(S-XIX)/5).

Opening statements

2. The **Permanent Secretary of the Ministry of Foreign Affairs of Thailand** welcomed participants on behalf of the host Government. Thailand had been honoured to host UNCTAD X, and it wished to reaffirm its commitment to the continuing success of UNCTAD and its objectives. The Mid-term Review would examine progress on the implementation of the Bangkok Plan of Action and assess all the major global events since UNCTAD X that impacted on development. It would also provide a good opportunity to discuss a wide range of issues and explore policy alternatives for tackling the challenges of world development.

3. UNCTAD played a very important role in presenting the interests of the developing countries to the more developed countries in a multilateral framework. It was important for member States of UNCTAD to demonstrate their full commitment to UNCTAD and ensure its successful continuity up to UNCTAD XI. The results of the Mid-term Review would also be useful for the World Summit on Sustainable Development in Johannesburg later in the year.

4. The **Deputy Secretary-General of UNCTAD** said that the Mid-term Review process had been thorough, substantive and rich, and provided a clear example of UNCTAD's capacity to change and adjust priorities and working methods. At UNCTAD X, the interactive debates among all development partners had helped to highlight the growing convergence of ideas on the development process and some divergent positions on the impact of globalization. Many developing countries had indicated their difficulties in managing the development process in a rapidly globalizing and changing international economic environment and the constraints they faced. There was a general consensus that, while globalization could be a powerful force for growth, not all countries had benefited from it. Many weak economies, particularly LDCs, remained marginalized. Policy changes required to cope with globalization had unleashed forces that generated uncertainty, intensified the incidence of poverty and were difficult to control through unilateral actions. Under these conditions, expecting developing countries to further open their markets

without providing effective multilateral support or giving them possibilities to export their way out of underdevelopment and poverty would be a self-defeating strategy. These debates and interactions had inspired the consensus on the Bangkok Plan of Action, which reinforced the unique role of UNCTAD in the integrated treatment of trade and development-related issues.

5. The Mid-term Review provided an opportunity not only to monitor the organization's performance and impact but also to reinforce its core competencies, learn from shortcomings and adjust to new developments and priorities. The outcomes so far indicated that significant progress had been made in implementing the diverse mandates agreed at UNCTAD X. For the remainder of the inter-conference period, the secretariat would pay special attention to the specific areas for improvement identified, while making adjustments to accommodate activities to which member States attached great importance.

6. The outcomes of the major conferences since UNCTAD X had substantial implications for UNCTAD's work. The secretariat had prepared a road map for the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, including the specific areas of work to be undertaken by UNCTAD. The outcomes of the Fourth Ministerial Conference of WTO at Doha set new challenges for UNCTAD in supporting developing countries in the current and forthcoming negotiations. The secretariat had prepared technical cooperation and capacity-building projects to be implemented in consultation with member countries and in collaboration with other relevant organizations. It had also conducted an internal review of technical assistance, and in the autumn the Working Party of the Board would discuss the outcome of the evaluation of UNCTAD capacity-building activities.

7. Finally, while much had been achieved, there was still work to be done to further specify aspects of the outcome of the Review and to implement them.

Reports of the Chairpersons of pillars I to III

8. The representative of the **United States of America**, speaking on behalf of the **Chairperson of pillar I** of the Mid-term Review on the intergovernmental machinery, said that the goal of pillar I had not been to overhaul the intergovernmental machinery of UNCTAD but to improve its functioning so that it could better respond to new events and meet the requirements of its member States. He recommended to the Board that it take note of part I of document TD/B(S-XIX)/4, containing the Chairman's summary of the general objectives of the review undertaken under this pillar, as well as the problems and achievements pointed out by delegations. With regard to part II of the same document, which was submitted to the Board for adoption, it was suggested not to convert the Board's sessional committee on least developed countries into a Standing Committee but to entrust it with coordinating, reviewing and monitoring UNCTAD-wide activities in this area and to convene an executive session of the Board to discuss the *Least Developed Countries Report*. Suggestions were also made on how to improve the focus of Commissions and enhance the terms of reference and coherence of expert meetings. Two issues remained unresolved. The Board, at its forty-ninth session, would have to consider the issue of having two regular sessions each year instead of one, and a long-term solution would have to be found before the end of 2002 to the issue of

predictable financing of the participation of experts from developing countries and countries in transition.

9. The representative of the **United Kingdom of Great Britain and Northern Ireland**, speaking in her capacity as **Chairperson of pillar II** on stocktaking, said that the outcome reflected an open and interactive programme-by-programme review. Research and analysis were regarded as generally satisfactory, though there had been mixed reactions to some publications and more effective dissemination was called for. There was a paucity of feedback on the impact of recommendations made by intergovernmental meetings, and linking intergovernmental debate with research and technical cooperation, or focusing on relevant policy areas, could ensure the best impact. Technical cooperation activities had received much positive feedback, and the internal review of technical cooperation procedures was welcome. The better use of indicators and the implementation of evaluation outcomes could further improve quality. The implementation of paragraph 166 of the Bangkok Plan of Action had been disappointing, and fresh efforts were called for. Other issues that had been examined included the implementation of the decision to set up a subprogramme on Africa, the best way to implement UNCTAD's work on LDCs, and the progress achieved on cross-cutting issues. Suggestions had been made to improve the effectiveness of the indicators of achievement, but these suggestions needed further discussion.

10. The Mid-term Review would help to deploy resources most effectively and direct UNCTAD fund-raising efforts to areas of greatest need. Work programme and resources should be in line with one another. While UNCTAD extrabudgetary resources remained steady, its regular budget resources had been significantly reduced in some areas. Posts had been transferred to the new Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

11. The Millennium Summit and Declaration had set out shared goals for international development efforts, the Third United Nations Conference on Least Developed Countries had reaffirmed the importance of the issues dealt with by UNCTAD, the Fourth Ministerial Conference of WTO had significant implications for UNCTAD's work, and the International Conference on Financing for Development had placed at centre stage the issues that formed the basis of the Bangkok Plan of Action. Operationalizing the New Partnership for Africa's Development was a high priority for the region and its development partners.

12. Areas of emphasis leading to UNCTAD XI included addressing the immediate needs of developing countries arising from the Doha outcomes and other negotiations and enhancing supply capacities to improve developing countries' competitiveness and help them to integrate into the global economy. This work should be carried out in close cooperation with other organizations, in response to demand and in support of national development strategies.

13. The outcome of work in pillar II reflected delegations' frank and constructive comments. One delegation whose comments had arrived after the deadline had wished to shorten the text on the outcome of the Monterrey Conference and to elaborate more on the issue of resource constraints. Finally, focusing on the impact of activities based on a self-assessment was innovative. The outcome of the stocktaking could serve as an input to future discussions and contribute to the reform process recently launched by the Secretary-General of the United Nations.

14. The representative of **Thailand**, speaking in his capacity as **Chairperson of pillar III** on the interactive debates, said that the theme and structures of the high-level interactive debates and policy dialogues had been defined with the assistance of the Secretary-General of UNCTAD. An issues note had been prepared by the UNCTAD secretariat (TD/B(S-XIX)/2), not as an exhaustive summary of all possible issues to be raised but as a catalyst to promote discussion. Informal discussions on the note in Geneva had highlighted a number of concerns. As the Mid-term Review fell between a number of major international conferences, it represented an opportunity for stocktaking and moving forward on issues raised at those conferences, including those linked to UNCTAD's own work programme. There was a need to examine more carefully success stories and the lessons these might hold for other developing countries. The role of governance had been raised, though some believed that domestic institutional reforms should be the focus, while others insisted that the governance of the international economy, and particularly the role of multilateral financial and trading rules and institutions, were the key issues. Finally, more attention should be given to the distinct challenges facing LDCs.

Statements

15. The **Minister of Trade and Industry of Kenya** said that the outcome of the three pillars was balanced and should form a good basis for discussion. The most urgent issue was the need for additional resources for UNCTAD to carry out its mandate effectively, in particular technical cooperation activities relating to policy analysis, human resources development and institutional capacity-building. At the adoption of the Bangkok Plan of Action, a number of measures to be taken by the international community had been discussed, including in respect of ODA, debt and investment. He was encouraged by the commitments on ODA made since then, including the pledges at Monterrey, but generally disappointed with the progress made in terms of meeting United Nations targets. He congratulated Denmark, Luxembourg, the Netherlands, Norway and Sweden for meeting the targets set with a view to attaining the Millennium Declaration goal of reducing extreme poverty by half by 2015.

16. The main thrust of Kenya's policy framework was poverty alleviation through employment creation and sustainable development. Obstacles such as low investment flows, high indebtedness and suspension of aid had made progress difficult.

17. On international trade, developing countries had not reaped benefits arising from the implementation of the Uruguay Round Agreements. A number of issues covered in the Bangkok Plan of Action still had to be addressed, including meaningful market access, stringent sanitary and phytosanitary measures, competitiveness, insufficient transitional periods, concretization of special and differential treatment, and more focused financial and technical assistance. The technical assistance and capacity-building promises and other commitments made at Doha must be translated into realities to enable developing countries to realize the full meaning of the Doha Development Agenda.

18. The need to promote and develop appropriate technology had also been discussed at Bangkok. Very little had been done in this area, and the technological divide remained wide. This required urgent attention.

19. Future challenges were clearly defined in the Millennium Declaration and echoed in the New Partnership for Africa's Development and the Monterrey Consensus. Development partners were urged to support these initiatives, in particular those aiming to reduce extreme poverty.

20. The ghastly acts of terrorism at Nairobi and Dar-es-Salaam in August 1998 and the United States of America on 11 September 2001 had not only resulted in the loss of innocent lives but had also impacted on international trade negatively. Kenya, being a major tourist destination, had suffered from loss of tourism revenues. Kenya always remained fully cooperative with the international community in combating terrorism. Peace, security and stability were required for trade in order to take full advantage of the globalization process.

21. The representative of **Egypt**, speaking on behalf of the **Group of 77 and China**, highlighted the need for dialogue and cooperation between all members of the international community to overcome the uncertainty that was adversely affecting development in developing countries. In this context, UNCTAD should remain a key player in the integrated treatment of trade and development issues. The activities of the three pillars of the Mid-term Review had been very useful in deepening the development partners' awareness of each other's priorities, views, hopes and aspirations. All UNCTAD members were committed to strengthening the role of UNCTAD. The Group of 77 and China looked forward to implementing the outcomes of the three pillars. Finding predictable long-term sources of financing for experts from developing countries before the established deadline was of fundamental importance for her Group. With regard to the stocktaking exercise, the outcome of pillar II addressed issues of great interest to the Group of 77 and China that needed to be further explored. One of them, namely, the long-term sustainability of the training courses foreseen under paragraph 166 of the Bangkok Plan of Action, was of particular importance.

22. The Group of 77 and China looked forward to UNCTAD XI. They invited the Secretary-General of UNCTAD to submit a draft agenda and a timetable for the preparatory process in early 2003. The tabling of proposals on modifying the intergovernmental machinery of UNCTAD should be limited to a maximum of 21 days after the launching of the preparatory process. Suggestions for changes should also indicate the objectives, implications and potential impact of the changes. In addition to preparatory meetings, frequent informal meetings should be held during the preparatory process. The Group of 77 and China shared the view of the Secretary-General of UNCTAD that the Bangkok Plan of Action, being a very comprehensive and well-balanced document, should remain a source of guidance for future work. Finally, the question of UNCTAD's resource base should be given serious thought so as to enable it to fulfil its mandate and respond fully to the needs of developing countries.

23. The representative of **Spain**, speaking on behalf of the **European Union** (EU), said that a number of key international events had taken place since UNCTAD X, such as the Millennium Summit of the General Assembly, the Third United Nations Conference on the Least Developed Countries, the launching of the New Partnership for Africa's Development, the Fourth Ministerial Conference of WTO at Doha, and the International Conference on Financing for Development. The Doha Declaration, which specifically referred to UNCTAD in connection with investment and competition policy, provided a unique opportunity for all international bodies

working in the area to join forces. EU encouraged the secretariats of both UNCTAD and WTO to work together to avoid duplication and promote synergies. He referred to the EU Everything but Arms initiative, its generalized scheme of preferences (GSP), its commitment to reach the 0.7 per cent target of GNP for official development assistance, and its Economic Partnership Agreements with African, Caribbean and Pacific countries to be launched in September 2002.

24. The mandate of UNCTAD and its role in development had increased in importance as a result of the events that had taken place, and its work programme needed to be adjusted accordingly. For example, WTO should not provide all technical assistance in relation to trade negotiations and capacity-building. UNCTAD should use the niches in which it had comparative advantage, such as analysis and technical cooperation in investment, competition, investment/trade links, national trade reforms, enterprise development and institution-building. In this context, EU expected UNCTAD to reaffirm its contribution to programmes like the joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP) and the Integrated Framework.

25. With regard to the outcome of the Mid-term Review, he expressed general satisfaction, although in relation to pillar I, much remained to be done. Analysis, technical assistance and consensus building should be better linked with each other, and EU looked forward to UNCTAD XI as a conference that would result in an even more coherent reform of the intergovernmental machinery. In relation to pillar II, UNCTAD should refocus its efforts around supporting developing countries in international trade negotiations and fostering their competitiveness to enable them to take full advantage of opportunities. It was also necessary to refine the benchmarks of efficiency so as to obtain adequate feedback. As for priority issues, in addition to good governance, they should include horizontal topics such as poverty reduction, gender equality and cooperation with the civil society.

26. The representative of **Bangladesh**, speaking on behalf of the **least developed countries**, considered that the intergovernmental machinery in place since 1996 had proved beneficial for UNCTAD's work. He hoped the outcome of pillar I would further strengthen linkages between the Board, Commissions and expert meetings. He appreciated the agreement to devote more attention to LDC issues and to convene an executive session to discuss the *LDC Report* and substantive issues, and hoped that the secretariat would make adequate preparations. A long-term solution to financing participation in expert meetings should be found before the end of 2002.

27. The major conferences organized since UNCTAD X had made certain commitments in favour of LDCs, and he awaited an inventory of the benefits to be effectively derived from these outcomes. LDCs being a priority and cross-cutting issue, every division of the UNCTAD secretariat had a special contribution to make. Specific tasks assigned at the most recent Commission sessions should be completed soon.

28. The Brussels Programme of Action had resulted in a readjustment in UNCTAD's work. While he endorsed the new direction, UNCTAD would remain responsible for substantive and analytical work in support of LDCs, and the *Least Developed Countries Report* should continue to be published annually. At Brussels the international community had renewed its commitment to assisting LDCs, but ODA continued to decline in real terms and was well short of internationally agreed

targets. The LDC share of world trade had declined from 3 per cent in 1950 to 0.4 per cent in 2000, and UNCTAD must work to enhance market access for them.

29. The WTO post-Doha work programme had placed an additional burden on LDCs. While UNCTAD technical assistance was more critical than ever before, its resource level was declining. He welcomed the UNCTAD post-Doha Technical Assistance and Capacity-Building Plan, which should be funded from extrabudgetary sources. In this effort, greater emphasis should be placed on institution-building and long-term capacity-building.

30. Assistance was also required to overcome supply-side bottlenecks. The Integrated Framework pilot scheme needed to be expanded and targeted at supply-side issues. He hoped development partners would make generous contributions to the LDC Trust Fund.

31. Achieving the Millennium Summit goal of halving poverty by 2015 depended on LDCs playing their rightful role in the globalization process. UNCTAD had a critical role to play in building consensus in international policies of aid, debt relief, trade and private capital flows. He hoped that the Board's deliberations would provide a clear direction for UNCTAD XI, building upon the Bangkok Plan of Action.

32. The representative of the **United Kingdom** said that his country was supporting a broad range of technical assistance activities at UNCTAD. In face of the increasing need for assistance after the Fourth Ministerial Conference of WTO at Doha in support of trade negotiations and to realize the potential of trade as an engine for growth and poverty reduction, his country was providing finance for: capacity-building on competition policy (£200,000, with a further phase being considered); a services and development capacity-building project (US$ 500,000); and a programme on trade and environment to be implemented jointly with the non-governmental organization, Foundation for International Environmental Law and Development (FIELD) (£1 million). He hoped that activities assisted earlier, such as the Agricultural Trade Policy Simulation Model, had become useful. His country was committed to funding a further phase of UNCTAD's WTO Accession Trust Fund. Funding for a number of activities in the area of investment, including the possible financing of participation in expert meetings on investment issues in the current year, was under discussion. He welcomed UNCTAD's commitment to work together with other agencies, and announced that a second contribution had been made to the Trust Fund for the Integrated Framework for Trade-related Technical Assistance for LDCs (£1 million).

33. The representative of **Norway** stressed that, since 2000, important commitments with implications for UNCTAD's work had been made at a series of international conferences. The Mid-term Review should be used to determine how UNCTAD should respond to these challenges by way of defining priorities and adjusting its programmes to make it more relevant for the implementation of the new agendas. The fight against poverty — as an overarching objective in development cooperation — should be clearly reflected in the UNCTAD work programme. There was a broad consensus on development cooperation that underlined national responsibility for development while at the same time recognizing the necessity of support by an enabling international environment.

34. With regard to the Third United Nations Conference on the Least Developed Countries in Brussels, she stressed that UNCTAD should keep the focus of its activities on LDCs in terms of both analysis, for example in the annual *Least Developed Countries Report*, and technical assistance. With reference to the Doha Development Agenda and its call for targeted and comprehensive technical assistance, UNCTAD had an important role to play, inter alia in the fields of investment and competition, where the contribution of UNCTAD had been identified in the Doha Declaration. UNCTAD could assist developing countries, in particular LDCs, to participate more fully in global trade negotiations and the multilateral trading system in areas within its mandate, and in close cooperation with WTO and other international agencies.

35. The outcomes of pillars I and II provided the basis for some important improvements. The Mid-term Review had identified a need for rationalization and improved focus in the intergovernmental machinery. Norway attached great importance to the full and immediate implementation of the guidelines agreed to under pillar I, but stressed the need for further improvements. Regarding pillar II, she underlined the importance of making UNCTAD's analytical work more relevant to the work of the intergovernmental machinery and to the technical assistance provided by the organization. There was a divergence of views on the usefulness of various publications, and she encouraged the secretariat to take this into consideration in its future publications. UNCTAD technical assistance should be based on its areas of comparative advantage and be coordinated closely with other agencies to avoid duplication and maximize synergies. The report indicated that there was scope for improvements in terms of both internal and external coordination. Coordinating mechanisms with other agencies such as JITAP and the Integrated Framework should be strengthened. The UNCTAD agenda in the two coming years was challenging and would demand continued dialogue among all stakeholders to improve the focus and functioning of the organization in order to make it more relevant. She urged that the constructive dialogue that had been initiated be continued in order to improve the organization and thereby also prepare for a successful outcome to UNCTAD XI in two years' time.

36. The representative of **Cuba** said that his Government was not in favour of the increasing trend in the United Nations whereby meetings were held at ministerial level simply to rubber-stamp decisions agreed upon earlier; such an approach discouraged high-level participation. The measures and proposals for change in the UNCTAD intergovernmental machinery should be reviewed in order to assess their effectiveness and their actual contribution to strengthening the institution and enhancing its functions, with their final adoption at UNCTAD XI. Governments and international organizations should pay more attention to the recommendations of the Trade and Development Board and the Commissions. He underlined the need for linkages between the work of WTO under the Doha Development Agenda and the results of UNCTAD's work. A definitive solution must be sought to the problem of financing experts from developing countries on the basis of predictable and stable resources, including regular budget resources.

37. The representative of the **Organization of African Unity** (OAU) welcomed the documentation on the three pillars of the Mid-term Review. The spirit of cooperation manifest therein augured well for the implementation of the work programme until UNCTAD XI. UNCTAD remained the principal organ of the United Nations on trade, investment and development issues. Its experience in

injecting the development dimension into the economic policy debate was appreciated. Moreover, its various technical cooperation programmes were the crown jewels of the United Nations system-wide technical cooperation activities.

38. The outcomes of pillars I and II represented road maps on the way towards a more efficient organization. They highlighted the need for an efficient intergovernmental machinery and for the provision of adequate resources on a predictable basis. Under pillar III, she recognized the changing dynamics of the international economic arena and looked forward to finding ways to factor in new developments into the work programme of UNCTAD.

39. In Africa, the decision by the heads of State to turn OAU into the African Union reflected the desire to enter into a new era of prosperity and peace on the continent. She was confident that UNCTAD would take on board the implementation of the New Partnership for Africa's Development.

40. The representative of **Switzerland** said that, at the Third United Nations Conference on the Least Developed Countries, attention had been drawn to the needs of Least Developed Countries; at the Fourth Ministerial Conference of WTO, commitments had been made to make trade play its role in development; and the International Conference on Financing for Development had revealed the importance of domestic and international private sector resources. These outcomes would have an impact on UNCTAD's work.

41. With a reformed intergovernmental machinery, it was hoped that expert meetings would allow the emergence of real savoir faire and that follow-up would be improved, that Commissions would treat substantive aspects of development policies and provide priorities to the secretariat better than before, and that the Board would have more operational and focused discussions. At UNCTAD XI, an assessment would be made to see if there could be further improvements.

42. Regarding the Bangkok Plan of Action, its implementation was, in general, satisfactory. Indicators had helped significantly in evaluating the results of UNCTAD activities. UNCTAD should define its comparative advantages in each area, and its resources should be allocated to priority areas. This would also facilitate the commitment of resources by donors, and in that connection Switzerland was considering contributing to the implementation of the post-Doha programme in the area of investment and to other technical cooperation activities.

43. The representative of the **Common Fund for Commodities** (CFC) stressed the importance of commodities for development, and recalled that UNCTAD had been asked to enhance its support for developing countries in this area in close collaboration with CFC. Supply capacities, value chains and value addition, diversification as an avenue for industrialization, technology transfer and price risk management were crucial issues in this respect. Although non-oil commodity prices were at very low levels and were expected to remain so at least until 2015, improving the commodity sector would provide a powerful contribution to meeting the goals set by the international community. Efforts needed to be intensified for the implementation of recommendations relating to commodities adopted at the Third United Nations Conference on the Least Developed Countries. CFC, which was keen to collaborate with UNCTAD, international commodity bodies and other international organizations, would continue to support LDCs to enhance and

diversify their export base and build institutional and human capacities. Support to stimulate sustainable development was also provided to other developing countries.

Action by the Board

44. At its closing plenary meeting, on 2 May 2002, the Trade and Development Board took the following action:

(a) With regard to pillar I on the intergovernmental machinery, it adopted the guidelines for the functioning of the UNCTAD intergovernmental machinery, along with the annex, contained in part II of document TD/B(S-XIX)/4; it also took note of the Chairperson's summary contained in part I of the same document (for the guidelines and the summary, see chap. I, sect. A, above);

(b) With regard to pillar II on stocktaking, it took note of the outcome as contained in document TD/B(S-XIX)/3 (for the outcome, see chap. I, sect. B, above);

(c) With regard to pillar III on the interactive debates and policy dialogue, it took note of the summary presented by the Minister for Foreign Affairs of Thailand (for the summary, see chap. I, sect. C, above);

(d) With regard to the Mid-term Review as a whole, it took note of the conclusions presented by the Secretary-General of UNCTAD (for the conclusions, see chap. I, sect. D, above).

Closing statements

45. The representative of **Spain**, speaking on behalf of the **European Union**, said that the diversity of the discussions during the Mid-term Review had been very enriching, though the discussions could have allowed more focused attention on topics of particular importance, such as the relationship between UNCTAD and WTO. With regard to UNCTAD XI, the Conference should focus on a few topics of particular interest to developing countries; these could include the issues of policy coherence and the competitiveness of the economies of developing countries, especially LDCs. The European Union welcomed the offer made by Brazil to host UNCTAD XI and would cooperate with Brazil and the UNCTAD secretariat to ensure the success of the Conference.

46. The representative of **Bangladesh**, speaking on behalf of the **least developed countries**, said that UNCTAD was the appropriate forum in which to deal with all development issues in an integrated fashion with a view to helping developing countries and particularly LDCs to integrate into the world economy. The ultimate responsibility for development lay with the developing countries themselves, but a favourable external environment was critical. UNCTAD was the focal point for LDCs for trade and development, and it was therefore hoped that, in the preparations for UNCTAD XI, LDCs would be given sufficient attention.

47. The representative of **Uganda** said that the issue of financing for development was closely linked to issues of trade and development, and it was within the UNCTAD mandate to analyse the impact of the financing system on trade and development.

B. Other matters: invitation to host UNCTAD XI

48. The representative of **Brazil** said that, in two years' time, UNCTAD would be celebrating its fortieth anniversary. Much had changed since 1964, but trade, as a driving force behind global economic growth, retained its place on the international agenda. For its part, UNCTAD remained committed to the development dimension of trade, and as a new round of trade negotiations got under way, it was there to show the international community that there was not just one approach to trade. It must always be borne in mind that not all was fair in trade and not all trade was fair. Brazil, a co-founder of UNCTAD, took pride in its continuing participation in the work of the organization and in the outstanding contribution that the Secretary-General of UNCTAD, a Brazilian, had been making to the organization. It therefore felt that the time was right to reaffirm its commitment to the organization, and it wished to extend an offer to host UNCTAD XI in 2004.

49. The representative of **Cuba** said that his country fully supported Brazil as the venue for UNCTAD XI. Brazil was a major Latin American country, it was a co-founder of UNCTAD, and it was deeply involved in development issues. It would therefore be a good host for UNCTAD XI, and it could count on his country's support during the preparations.

Action by the Board

50. At its closing plenary, on 2 May 2002, the Board welcomed the offer by Brazil to host UNCTAD XI in 2004 and requested the Secretary-General of UNCTAD to prepare the draft provisional agenda and a timetable for the Conference for the consideration of the Board in the first quarter of 2003. It was understood that, in making these preparations, the Secretary-General would consult with delegations, in particular through the consultations of the President of the Board, and also with the Government of Brazil in defining the practical and logistical arrangements related to the Conference.

C. Organizational and institutional matters

Opening of the session

51. The nineteenth special session of the Trade and Development Board was opened on 29 April 2002 at the United Nations Conference Centre at the Economic and Social Commission for Asia and the Pacific (ESCAP), Bangkok, Thailand, by Mr. Ali Said Mchumo (United Republic of Tanzania), President of the Board.

Inaugural ceremony

52. At an inaugural ceremony on 30 April 2002, addresses were delivered by H.E. Dr. Thaksin Shinawatra, Prime Minister of Thailand; H.E. Dr. Surakiart Sathirathai, Minister for Foreign Affairs of Thailand; Mr. Rubens Ricupero, Secretary-General of UNCTAD; and Mr. Kim Hak-Su, Executive Secretary of ESCAP. A statement of appreciation was made by H.E. Mr. Ali Said Mchumo (United Republic of Tanzania), President of the Trade and Development Board.

Officers

53. The officers of the Board were, as elected at the forty-eighth session of the Board, as follows:

President:

Mr. Ali Said Mchumo (United Republic of Tanzania)

Vice-Presidents:

Mr. Iouri Afanassiev (Russian Federation)
Mr. Toufik Ali (Bangladesh)
Mr. Federico Alberto Cuello Camilo (Dominican Republic)
Mrs. Eleanor M. Fuller (United Kingdom of Great Britain and Northern Ireland)
Mr. Virasakdi Futrakul (Thailand)
Mr. Douglas M. Griffiths (United States of America)
Mr. Nathan Irumba (Uganda)
Mr. Toshiyuki Iwado (Japan)
Mr. Kalman Petocz (Slovakia)
Mr. Jacques Scavee (Belgium)

Rapporteur:

Mr. Federico Perazza Scapino (Uruguay)

Adoption of the agenda and organization of the work of the session

54. At the opening meeting, the agenda was adopted, as follows:

1. Procedural matters:
   - (a) Adoption of the agenda and organization of the work of the session
   - (b) Report on credentials
2. Mid-term Review
   - (a) Review of the efficiency and functioning of the intergovernmental machinery
   - (b) Stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action
   - (c) Interactive debates and policy dialogue in the context of opportunities and challenges of new policy developments of importance since UNCTAD X:
     - (i) Assessment of global economic developments and their impact since UNCTAD X
     - (ii) Development challenges of the future
3. Institutional, organizational, administrative and related matters:
   - Administrative and financial implications of the actions of the Board
4. Other business
5. Adoption of the report of the Board

High-level interactive debates and policy dialogues

55. In the course of the session, two high-level interactive debates and policy dialogue were held under the chairmanship of H.E. Dr. Surakiart Sathirathai, Minister for Foreign Affairs of Thailand. The first was on: Assessment of global economic developments and their impact since UNCTAD X: economic policy and challenges after Bangkok. The second was on: Development challenges of the future: rethinking development strategies, reshaping globalization. For the second debate, the discussant was Dr. Supachai Panitchpakdi, Director-General designate of the World Trade Organization, and the panellists were Mr. Montek Singh Ahluwalia, Director of the Independent Evaluation Office of IMF, and Mr. Pierre Jacquet, Deputy Director of the French Institute for International Relations.

Report on credentials

56. At its plenary meeting on 2 May, the **President** reported to the Board that the credentials of the member States attending the nineteenth special session were all in order.

Action by the Board

57. The Board noted that the credentials were in order.

Administrative and financial implications of the actions of the Board

58. The Board was informed by the secretariat that there were no financial implications in connection with the outcome of the Mid-term Review.

Expression of gratitude

59. The Board adopted by acclamation an expression of gratitude (TD/B(S-XIX)/L.3) proposed by the President of the Board (for the expression of gratitude, see chap. I, sect. E, above).

Replacement of the President of the Board

60. The Board was informed that the President of the Board would shortly be taking up a new assignment outside Geneva and that upon his departure, and in accordance with rule 22 of the rules of procedure of the Board, he would be replaced by Mr. Nathan Irumba (Uganda) until the forty-ninth session of the Board.

Adoption of the report of the Board

61. At its closing plenary meeting, on 2 May 2002, the Board adopted its draft report (TD/B(S-XIX)/L.2), subject to amendments to summaries of statements, and authorized the Rapporteur, under the authority of the President, to finalize the report taking into account the proceedings of the closing plenary.

Annex I

Message from the Secretary-General of the United Nations to the UNCTAD Mid-term Review

It gives me great pleasure to send my greetings to the UNCTAD Mid-term Review. I would like to thank the Government and people of Thailand for hosting this meeting, for the skill with which they hosted UNCTAD X two years ago, and for their strong and enduring commitment to the United Nations.

This Mid-term Review is important for several reasons. It can contribute to the United Nations system's efforts to achieve the millennium development goals. It can help our ongoing efforts to implement the Bangkok Plan of Action. It can help UNCTAD do its part to integrate the development dimension into the new round of trade negotiations decided upon at last year's meeting of the World Trade Organization at Doha, and into implementation of the new consensus agreed to at last month's International Conference on Financing for Development in Monterrey. Finally, this effort can help set the broad framework for UNCTAD XI.

Please accept my best wishes for the success of these timely and vital deliberations.

Annex II

Message from the Chairman of the Group of 77 in New York to the UNCTAD Mid-term Review

1. On behalf of the Group of 77 in New York, I would like to express my deepest appreciation to the people and Government of the Kingdom of Thailand for their commitment and dedication to advancing the development objectives and interests of developing countries. The hosting of the UNCTAD Mid-term Review is yet another testimony in this respect after this beautiful country generously organized the tenth session of the United Nations Conference on Trade and Development.

2. The UNCTAD Mid-term Review takes place at a moment when the world economy is still in fragile health, recovery in many developing countries being stalled as markets for their exports have weakened. In today's globalizing world, the economic difficulties are likely to reverberate faster than in the past, with the biggest burden on the weakest economies.

3. The series of high political-level meetings has given strong hopes that the goals of the United Nations Millennium Declaration have a great chance to be achieved. We have in mind in this respect the Third United Nations Conference on the Least Developed Countries, the Monterrey Conference and the Fourth Ministerial Conference of WTO at Doha. Their successful conclusion augurs well for the future. However, what is expected is full implementation of the commitments contained therein in such a way that they are fully compatible with the development needs of the developing countries. More high-level meetings are under an intensive process of preparation: the special session of the General Assembly on children, the World Food Summit and the Johannesburg World Summit on Sustainable Development. They represent other platforms in which the developing countries' development concerns should be fully taken into account and the relevant follow-up action integrated.

4. The Mid-term Review of UNCTAD is a unique process of constant adaptation and renewal of the institution. We are pleased to see that for many years now UNCTAD has been systematically reviewing the implementation of the commitments adopted by the member States. The constant interaction among member States and the secretariat is a major feature. The main objective of this process is to have a better organization focusing on results, usefulness and real contribution to the advancement of developing countries' key goals. We note with satisfaction the attention paid by the Mid-term Review to the integration of the development dimension into the post-Doha trade negotiations as well as the significant programme of technical assistance and capacity-building developed by UNCTAD for this purpose. The Mid-term Review rightly placed emphasis on the importance of the Monterrey Consensus as well as on the role of UNCTAD in the follow-up process.

5. The relevance and validity of UNCTAD is therefore reconfirmed against the backdrop of the deepening impact of globalization and liberalization on developing economies and the growing recognition that market forces will act to meet development needs. UNCTAD, with its role as focal point within the United Nations for the integrated treatment of development, can bring a significant contribution to

the reinforcement of the political will and of the concrete support for the development efforts of the developing world.

6. On behalf of the Group of 77 in New York, I wish every success to this important event of UNCTAD, which could be rightly integrated among the major United Nations events of this year. The Group is looking forward, in this context, to the preparations for UNCTAD XI.

Annex III

Attendance

1. Representatives from the following States members of UNCTAD attended the session:

Angola
Argentina
Armenia
Australia
Austria
Bangladesh
Belgium
Benin
Bhutan
Bolivia
Brazil
Bulgaria
Burkina Faso
Burundi
Canada
Chad
Chile
China
Colombia
Costa Rica
Cuba
Czech Republic
Democratic People's Republic of Korea
Democratic Republic of the Congo
Denmark
Ecuador
Egypt
Ethiopia
Finland
France
Gabon
Germany
Ghana
Guinea
Haiti
Hungary
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Japan
Kenya
Kuwait
Lesotho
Madagascar
Malaysia
Mauritania
Mexico
Morocco
Myanmar
Namibia
Nepal
Netherlands
New Zealand
Nigeria
Norway
Oman
Pakistan
Peru
Philippines
Poland
Portugal
Republic of Korea
Romania
Russian Federation
Saudi Arabia
Senegal
Singapore
Slovakia
South Africa
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Thailand
Togo
Tunisia
Turkey
Uganda
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Viet Nam
Yemen
Zambia
Zimbabwe

2. The following States members were represented as observers at the session:

Botswana
Brunei Darussalam
Cambodia
Cape Verde
Comoros
Djibouti
Eritrea
Fiji
Holy See
Lao People's Democratic Republic
Malawi
Mozambique
Niger
Rwanda
Samoa
Solomon Islands
Tuvalu

3. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States
Afro-Asian Rural Development Organization
Cocoa Producer's Alliance
Common Fund for Commodities
Common Market for Eastern and Southern Africa
European Community
Organization of African Unity

4. The following specialized agencies and related organizations were represented at the session:

International Labour Organization
International Civil Aviation Organization
International Monetary Fund
Universal Postal Union
United Nations Industrial Development Organization
World Trade Organization
Asian Development Bank

5. The following United Nations organizations were represented at the session:

Economic and Social Commission for Asia and the Pacific
United Nations Convention to Combat Desertification
United Nations Development Programme
United Nations High Commissioner for Refugees
International Trade Centre UNCTAD/WTO

6. The following non-governmental organizations were represented at the session:

General Category

ACTIONAID
International Council of Environmental Law

Special Category

International Multimodal Transport Association
International Ocean Institute
Thai International Freight Forwarders Association
World Trade University

7. The following panellists attended the session:

Mr. Montek Singh Ahluwalia, International Monetary Fund
Mr. Pierre Jacquet, French Institute for International Relations

Annex IV

List of documents

TD/B(S-XIX)/1	Provisional agenda and annotations
TD/B(S-XIX)/2	Mid-term Review: interactive debates and policy dialogue in the context of opportunities and challenges of new policy developments of importance since UNCTAD X, Issues note by the UNCTAD secretariat
TD/B(S-XIX)/3	Mid-term Review: stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action
TD/B(S-XIX)/4	Mid-term Review: review of the efficiency and functioning of the intergovernmental machinery
TD/B(S-XIX)/5	Mid-term Review: trade and investment in Asia and the Pacific: recent trends and emerging issues, Note by the UNCTAD secretariat
TD/B(S-XIX)/6	Message from the Secretary-General of the United Nations to the UNCTAD Mid-term Review
TD/B(S-XIX)/L.1	Programme assessment for 2000-2001
TD/B(S-XIX)/L.2	Draft report of the Trade and Development Board on its nineteenth special session — Mid-term Review
TD/B(S-XIX)/L.3	Expression of gratitude, Draft resolution submitted by the President of the Board
TD/B(S-XIX)/L.4	Summary of the high-level interactive debates and policy dialogue by H.E. Dr. Surakiart Sathirathai, Minister for Foreign Affairs of Thailand
TD/B(S-XIX)/INF.1	Information for participants
TD/B(S-XIX)/PREP/1	Provisional agenda and annotations
TD/B(S-XIX)/PREP/2	Report of the First Meeting of the Mid-term Review Process
TD/B(S-XIX)/PREP/3	Report of the Second Meeting of the Mid-term Review Process
TD/B(S-XIX)/PREP/4	Report of the Third Meeting of the Mid-term Review Process
TD/B(S-XIX)/PREP/L.1	Draft report of the First Meeting of the Mid-term Review Process
TD/B(S-XIX)/PREP/L.2	Draft report of the Second Meeting of the Mid-term Review Process

Part three
Report of the Trade and Development Board on its forty-ninth session (Geneva, 7 to 18 October 2002)*

* Originally issued under the symbol A/57/15 (Part III).

Introduction

1. The forty-ninth session of the Trade and Development Board was held at the Palais des Nations, Geneva, from 7 to 18 October 2002. In the course of the session, the Board held seven plenary meetings — the 930th to 936th meetings.

2. This report to the United Nations General Assembly has been prepared under the authority of the President of the Board, in accordance with the guidelines adopted by the Board in the annex to its decision 302 (XXIX) of 21 September 1984. The report records, as appropriate, the action by the Board on the substantive items of its agenda (section I), summaries of discussions under certain items (section II) and procedural, institutional, organizational and administrative matters (section III).

3. Volume II of the report of the Board on its forty-ninth session — to be issued subsequently in TD/B/49/15 (Vol. II) — will reflect all the statements made in the course of the session on the various items of the agenda.

Chapter I

Action by the Trade and Development Board on substantive items on its agenda

A. Progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010

(Agenda item 4)

Agreed conclusions 470 (XLIX)

The Trade and Development Board,

1. *Takes note* of the information contained in the background reports submitted by the UNCTAD secretariat, as contained in documents TD/B/49/6 and TD/B/49/7, and of further information provided by the secretariat during the meeting, and *expresses its appreciation* for the efforts made so far in implementing the relevant commitments and actions of the Programme of Action for LDCs for the Decade 2001-2010;

2. *Encourages* the UNCTAD secretariat to continue its activities in support of LDCs within its mandate, and to continue to report to the Board, at its regular sessions, on UNCTAD's activities in favour of these countries, and emphasizes the need for UNCTAD to contribute to the mandated reviews by ECOSOC and the General Assembly of the implementation of the Programme of Action for LDCs for the decade 2001-2010, bearing in mind the ongoing reform process in the United Nations;

3. *Emphasizes* the need for closer and active inter-agency cooperation between UNCTAD and other organs and agencies of the United Nations system, especially with the Office of the High Representative for LDCs, LLDCs and SIDS, and including the Bretton Woods institutions and WTO, with the objectives of creating maximum synergies, avoiding duplication of efforts, and maximizing benefits to LDCs, LLDCs and SIDS; in that regard, encouraged by the ongoing cooperation between UNCTAD and the Office of the High Representative, *emphasizes* that such cooperation should be further strengthened;

4. *Reaffirms* the importance of mainstreaming the Brussels Programme of Action into UNCTAD's programme of work and its intergovernmental processes;

5. *Underlines* the importance of mainstreaming trade into national development plans, welcomes the UNCTAD secretariat's continued contribution to the implementation of the Integrated Framework (IF), and *requests* it to strengthen that contribution, particularly by planning and implementing trade-related capacity-building as a follow-up to the diagnostic studies;

6. *Welcomes* the role of UNCTAD in the implementation of the Global Framework for Transit Transport Cooperation between Land-locked and Transit Developing Countries and the Donor Community, and *encourages* the secretariat, within its mandate, to provide substantive and technical support to the preparations for the International Ministerial Meeting of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, to be convened in Kazakhstan in 2003;

7. *Notes with appreciation* the secretariat's research and advisory services on the economic vulnerability of a number of LDCs, and *recommends* that such activities continue;

8. *Endorses* the secretariat's efforts to pursue its research and analytical work on the benefits effectively derived from the least developed country status with a view to identifying approaches to make this status a more effective tool for socio-economic transformation and convergence with other developing countries, promoting a suitable "exit strategy" for the LDCs that are coming nearer to graduation thresholds;

9. *Stresses* the need to continue UNCTAD's technical assistance to LDCs in their efforts to identify the most effective international support measures by virtue of the LDC status, with a view to inducing structural progress in their economies;

10. *Notes with concern* the continued decline in commodity prices, which results in a substantial loss of export earnings for the majority of the least developed countries, and *requests* the secretariat, in cooperation with other relevant agencies such as the CFC and ITC, to explore ways to strengthen its activities in the fields of diversification, technical assistance and capacity-building so as to bring about greater value-added in the commodity sector of LDCs;

11. *Requests* the secretariat, in the context of its analysis of the benefits effectively derived from LDC status, to pay particular attention, on an ongoing basis, to the expected impact of the most recent initiatives in favour of LDCs in the area of preferential market access, inter alia the "Everything But Arms" initiative, the African Growth and Opportunity Act (AGOA) and other such initiatives;

12. *Recognizes* the difficulties faced by LDCs in the process of accession to the WTO, and *requests* UNCTAD to continue to provide adequate assistance in this field, as well as to consolidate its support for other WTO-related activities in favour of the LDCs;

13. *Notes with appreciation* the results achieved, so far, and the orientation of the future activities of the Special programme on LDCs, LLDCs and SIDS, including the strengthened inter-divisional coordination within the secretariat, and the improved linkages between the policy analysis work of UNCTAD and its capacity-building activities in favour of LDCs, LLDCs and SIDS, and *urges* the secretariat to focus on areas within its mandate, in particular those where UNCTAD has expertise and a clear comparative advantage;

14. *Expresses deep appreciation* to bilateral and multilateral donors for their continued and generous financial contributions to the UNCTAD Trust Fund for LDCs;

15. *Urges* donors to respond to the need for extrabudgetary resources for the following purposes: to enable the secretariat to contribute effectively to the implementation of and follow-up to the Integrated Framework and to the preparation of the 2003 International Ministerial Meeting of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation in Kazakhstan; to undertake analysis and monitoring of the effective benefits derived from the LDC status; and to

replenish the UNCTAD Trust Fund for LDCs for further technical cooperation and capacity-building activities in the least developed countries.

936th plenary meeting
18 October 2002

B. UNCTAD's contribution to the final review and appraisal of the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: structural adjustment and poverty reduction in Africa

(Agenda item 5)

Agreed conclusions 471 (XLIX)

1. The session of the Trade and Development Board took place at an exciting time for the peoples of Africa. It welcomes the United Nations Declaration on the New Partnership for Africa's Development (NEPAD), a programme of the African Union, which was adopted by the fifty-seventh session of the General Assembly on 16 September 2002 (resolution 57/2), and considers it an important milestone in the history of Africa and its relations with the international community based on partnerships.

2. NEPAD constitutes a determined effort by Africans to take control of their own destiny through economic and social development based on principles of, and supported by mechanisms that aim to ensure, democracy, good governance and peaceful settlement of disputes. As such, NEPAD has elicited strong support from the international community as an important contribution to placing Africa on a sustainable growth trajectory towards achieving the internationally agreed target of reducing poverty by half by 2015.

3. Taking into account the independent review of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF), the Board calls upon UNCTAD to draw valuable lessons from it in its activities in support of NEPAD.

4. The Board welcomes the renewed emphasis on poverty reduction, and is pleased that Poverty Reduction Strategy Papers (PRSPs) facilitate coherent and integrated approaches in designing development policies. The Board also recognizes that PRSPs are resource-intensive, and that their evolution is part of a learning process that should be regularly assessed on an independent basis. Accordingly, it considers the report of the UNCTAD secretariat entitled *From Adjustment to Poverty Reduction: What is New?* to be a contribution to the process of policy appraisal.

5. Recent international conferences are unanimous about the importance of partnerships, ownership and participation. The Board notes that implementing these principles remains an important challenge. In this context, it takes note of the discussions on international policies, including on streamlining conditionalities, and encourages the continuing efforts by beneficiary countries in improving national macroeconomic policies.

6. Recognizing the positive impact that sound macroeconomic policies and a conducive external environment have on economic growth, and in order to ensure that the benefits of growth reach all people, especially the poor, the Board stresses the importance of helping countries to effectively undertake "poverty and social impact analysis" on a more systematic basis in the implementation of PRSPs.

7. In order to boost national resources, the cornerstone of development, the Board recognizes that debt relief and official development assistance (ODA) can play a critical role, and emphasizes the role of trade as a source for development. It welcomes the Heavily Indebted Poor Countries (HIPC) Initiative and stresses the need for its speedy implementation and a durable solution to the problem of indebtedness of the poorest countries, and for an assessment, case by case, of debt sustainability beyond completion points. Debtors and creditors must share the responsibility for preventing and resolving unsustainable debt situations. Technical assistance for external debt management and debt tracking can play an important role and should be strengthened. Both the size and quality of ODA form important elements of its effectiveness. As such, the Board welcomes the Monterrey Consensus commitments to increase the quantity and effectiveness of ODA.

8. The Board recognizes the essential role of trade as an engine for economic development in Africa and in this regard calls for improved market access for African exports within the framework of the Doha Ministerial Declaration, without prejudging the outcome of the World Trade Organization (WTO) negotiations, and also within the framework of preferential agreements; and, in this connection, it calls upon developed countries to assist African countries in improving their capacity, including by the removal of supply-side constraints and the promotion of diversification, which are critical for enabling them to take full advantage of such opportunities, taking into account the need to provide market access for developing countries. Furthermore, it underlines the importance for African countries to accede to WTO and encourages UNCTAD within its mandate to assist them in this process.

9. UNCTAD should, within its mandate and areas of competence, play its role in supporting NEPAD. In this light, it should continue its cooperation with African countries and institutions and explore ways for improved cooperation with the Bretton Woods institutions in support of the poverty reduction strategies, thus building capacity and identifying appropriate divisions of labour. It should continue to provide relevant analysis and policy advice on African development.

936th plenary meeting
18 October 2002

C. Review of technical cooperation activities of UNCTAD

(Agenda item 7(a))

Decision 472 (XLIX)

The Trade and Development Board,

1. *Takes note with appreciation* of the information provided in the report on the review of technical cooperation activities of UNCTAD (TD/B/49/4, and

Add.1-2), as well as the Indicative Plan of UNCTAD's technical cooperation for 2003 (TD/B/49/5);

2. *Expresses* its appreciation to bilateral and multilateral donors for their contributions to UNCTAD trust funds; and *invites* them to continue contributing to UNCTAD, so that it can respond to increasing demand for technical assistance in areas of its expertise and comparative advantage;

3. *Requests* the secretariat to ensure adequate follow-up to the recommendations of the internal review of procedures and arrangements governing UNCTAD technical cooperation, *requests* the secretariat to initiate consultations with member States, as soon as possible, with regard to the implementation of those recommendations of the internal review which require consultations with member States, and *decides* to review the progress in the implementation of the recommendations on a regular basis in the Working Party;

4. *Notes* with appreciation the benefits accrued to beneficiary countries from UNCTAD technical assistance activities in the areas of debt and finance, programmes related to international trade in goods, services and commodity issues, investment and enterprise development, and programmes carried out in the areas of services infrastructure and trade efficiency; and *requests* UNCTAD to continue its efforts to provide high-quality support in these areas;

5. *Encourages* the secretariat to deepen its work on WTO-related activities, and to further strengthen cooperation and coordination of its activities with other providers of trade-related technical cooperation, in particular with regard to the Integrated Framework and JITAP, with a view to responding, on the basis of its comparative advantages, to the needs emerging from WTO-related activities;

6. *Requests* UNCTAD to put in place a focused approach to its activities, and by doing so, strengthen its activities and programmes in order to meet the increasing needs of developing countries, within its mandate, in particular in areas where UNCTAD has expertise and a clear comparative advantage;

7. *Requests* the secretariat, in its annual report on the review of technical cooperation activities, to include information on the anticipated evolution of its activities, as well as a clear indication of the strategic goals and objectives for the coming year, and accordingly *decides* to discontinue the consideration of the annual indicative plan; also *requests* the secretariat to include in its annual report information on linkages between the various technical cooperation activities with a view to providing information to member States on a broad-based approach that will bring together, in a coherent way, the various elements of the programmes; and in that regard, *requests* the secretariat to prepare an analytical report compiling information on the Commercial Diplomacy Programme, including results achieved;

8. *Requests* the secretariat to continue to include information in project documents on the relationship between project activities and the secretariat's research and policy analysis with a view to ensuring integration between operational and other activities;

9. *Requests* the secretariat to prepare a note, in consultation with member States, on a possible UNCTAD approach to capacity-building for consideration at a future session of the Working Party;

10. *Decides* to include in the agenda of the next session of the Working Party an item on indicators of achievement, taking into consideration, inter alia, JIU report JIU/REP/2002/2 entitled "The results approach in the United Nations: implementing the United Nations Millennium Declaration";

11. *Emphasizes* the need to work towards achieving the international development goals and targets of the Millennium Declaration and through the implementation of the Programme of Action of the Third United Nations Conference on the Least Developed Countries, as relevant to UNCTAD's mandate.

934th plenary meeting
17 October 2002

D. Other action taken on substantive items

1. Review of technical cooperation activities of UNCTAD

(Agenda item 7(a))

4. At its 934th plenary meeting, on 17 October 2002, the Board took note of the report of the Chairman of the Working Party on the Medium-term Plan and the Programme Budget at its thirty-ninth session, the statement made by delegations to the Board, and the secretariat documentation. It adopted draft decision TD/B/49/L.1, and endorsed the outcome of the thirty-eighth session of the Working Party. (For the text of the decision, see part I, section C above.)

2. Consideration of other relevant reports: report on UNCTAD's assistance to the Palestinian people

(Agenda item 7(b))

5. At its 935th plenary meeting, on 17 October 2002, the Board took note of the secretariat's report on UNCTAD's assistance to the Palestinian people (TD/B/49/9) and of the statements made thereon and decided to submit the account of its discussion to the General Assembly in accordance with Assembly decision 47/445. (For the account of the discussion, see part II below.)

3. Progressive development of the law of international trade: thirty-fifth annual report of the United Nations Commission on International Trade Law

(Agenda item 8)

6. At its 935th plenary meeting, on 17 October 2002, the Board took note of the report of UNCITRAL on its thirty-fifth session.[1]

[1] *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 17* (A/57/17).

4. Arrangements for regular sessions of the Board

(Agenda item 10(a))

7. At its 935th plenary meeting, on 17 October 2002, the Board decided to maintain the status quo and continue the existing arrangement for its regular sessions, whereby it holds one regular session per year in the autumn, on the understanding that questions relating to the sessions of the Board could be taken up within the framework of UNCTAD XI.

Chapter II

Summaries of discussions on substantive items on the agenda of the Board

A. High-level segment: how can the post-Doha process work best for development?[2]

(Agenda item 2)

8. The High-level Segment took the form of a presentation by a keynote speaker, Mr. Supachai Panitchpakdi, Director-General of the World Trade Organization (WTO), followed by comments and questions from delegates in New York (by video link) and in Geneva, to which the Director-General responded. The Secretary-General of UNCTAD also made observations.

Keynote address

9. The **Director-General of WTO** said that the global economy was passing through a difficult period. All sights were set on the Millennium development goals established for 2015, but achieving them would not be easy and would need the full cooperation of all players. The Doha development agenda, with its emphasis on rules, conflict resolution and open opportunities, was part of that process, and the outcome would determine the progress of the world economy. UNCTAD and WTO should engage in closer cooperation in the implementation of the Doha work programme, with a coordinated strategy to address the linkages between trade and development. That cooperative effort should be seen as part of a wider strategy aimed at involving all stakeholders (multilateral and specialized institutions) committed to fulfilling the Millennium goals. UNCTAD's comparative advantage vis-à-vis WTO in that cooperative effort was in the areas of research and technical cooperation aimed at enhancing the understanding of trade-related development issues of interest to developing and least developed countries, where WTO could not fill the gap in the short term. The cooperative effort would also entail cooperation with ITC, the World Bank, UNDP and UNIDO.

10. As he saw it, the post-Doha work programme comprised a three-stage process: the ongoing Doha agenda; trade-related technical assistance; integrating trade instruments into development strategies. The ongoing Doha agenda had gained momentum at the recent meeting of the WTO Trade Negotiations Committee (TNC), which had been a watershed in the post-Doha process, but there was an urgent need to move collectively to attain convergence. As delegates were aware, the work programme agreed in Doha covered a large variety of issues to be taken as part of a single undertaking, whereby nothing was agreed until all was agreed. The single undertaking required parallel progress on all areas of the agenda; if progress was slow on agriculture, it would be slow on everything else. For this reason, he did not consider it useful to delay moving in any particular area for tactical reasons. The TNC had identified the work agenda and the key issues to be resolved in the period leading up to the Fifth WTO Ministerial Conference, to be held in Cancun, Mexico, in September 2003. Cancun would be a "mid-term review" of progress on the post-Doha work programme where deadlines should converge, and it was important to make progress in order to avoid overloading the agenda for that meeting. Among the

[2] Summary prepared by the UNCTAD secretariat.

areas where many matters remained to be resolved before the end of 2002 were key developmental issues such as agriculture, the links between the TRIPS agreement and public health, special and differential treatment for developing countries and some 50 or so highly technical issues related to the implementation of the results of the Uruguay Round. Getting agreement on special and differential (S&D) treatment would not be easy, and, with one deadline missed, it was imperative to avoid further slippages; however, developing countries should not use S&D treatment as an escape clause to avoid carrying out their own reform processes. Other issues, such as trade, debt and finance, small economies and technology transfer, were also becoming priorities in the development agenda. However, all those issues had to be operationalized appropriately.

11. Technical assistance and capacity-building had to be a central part of the post-Doha process. Technical assistance should rely on three pillars: helping developing countries formulate their trade negotiation position, after the conclusion of the negotiations, during the implementation stage, addressing key trade issues, such as trade facilitation, custom procedures, TRIPS and transfer of technology; building the necessary infrastructure to ensure that market access potential brought the expected welfare gains to developing countries. To implement those ambitious technical assistance and capacity-building strategies, WTO was aware that it would need to collaborate closely with specialized agencies and development institutions such as the World Customs Organization, WIPO, ITC, UNDP, UNCTAD, the World Bank and IMF.

12. Among the longer-term issues for developing countries was how to cope with falling tariff revenues as a result of trade liberalization. In the area of supply constraints, attention must be paid to customs procedures and tax administration. The kind of cooperation that was already taking place within the Integrated Framework for Trade-related Technical Assistance to the Least-developed Countries could be a model for such future work.

Discussion

13. Comments were made and questions asked on a wide range of issues. Delegations looked forward to closer cooperation between the United Nations and WTO, but wondered how it would be implemented. The need for technical cooperation was widely emphasized, while some delegates asked how the private sector could be involved in such work. One speaker commented that progressive liberalization seemed beneficial to development growth and for addressing poverty, but it had to be genuinely progressive, within the capacity of countries. It was necessary to get the level of ambition right and support it with appropriate funding. Various speakers emphasized the need to have a coordinated approach towards the developmental goals to which the international community had committed itself in different global forums, notably the WTO Ministerial Meeting in Doha, the International Conference on Financing for Development in Monterrey, and the World Summit on Sustainable Development in Johannesburg. One speaker emphasized that, under the Doha work programme, the idea was to make S&D treatment more effective and operational, and several delegates asked how that could be made to work, e.g. in general or in relation to specific agreements? How could needs be assessed in particular cases? A number of speakers emphasized the need to address supply-side constraints. Specific questions included how the

movement of natural persons was being negotiated, how to solve problems of the landlocked countries and how to facilitate the accession of LDCs to WTO.

14. The **Secretary-General of UNCTAD** pointed out that UNCTAD was running intensive programmes of support for the developing countries through the positive agenda, the commercial diplomacy programme and specific support for countries in accession. UNCTAD was also helping developing countries to build export supply capacity, particularly in the services sector, and there had been a number of export meeting discussions in that area.

15. The **Director-General of WTO** referred to current UNCTAD/WTO cooperation in research, training and investment issues, and considered that cooperation would be intensified during implementation of the agreements reached under the Doha work programme. He was encouraged by the comment of the Secretary-General of the United Nations that trade could help reduce poverty through improved market opportunities, now being dealt with through WTO, while production side issues, including governance, were being tackled through the United Nations system. Of course, technical cooperation under the Doha work programme was designed to support the negotiations, but it should not stop there, since capacity-building was essential. He noted that development was central to the WTO work programme and fully supported efforts to reach an agreement on S&D treatment by the end of the current year. He noted that the Working Group on Trade, Debt and Finance was helping to address linkages deriving from Doha, Monterrey and Johannesburg. There needed to be more market opening so that developing countries could earn the income required to pay off their debt burden. He noted that harmonizing trade and environment rules could be mutually beneficial to trade and the environment — a win-win situation. On specific questions, he noted that the movement of natural persons was being handled under the request-and-offer procedure of the services negotiations. Involving the private sector in technical cooperation was not easy, since WTO was an intergovernmental organization, but obviously there was a role for private investment to support development; some requests had been addressed to TNCs to help support capacity-building efforts.

B. Interdependence and global economic issues from a trade and development perspective: developing countries in world trade[3]

(Agenda item 3)

16. There was general agreement that a rule-based multilateral trading system was in the interest of all countries. However, the view was also expressed that the current system was flawed in important respects. Similarly, although there was agreement on the potential contribution of international trade to economic development, there was extensive debate on the limitations on the extent to which that promise was currently being realized, on the national and international policy measures required for such realization.

17. Much attention was focused on the discussion in the *Trade and Development Report, 2002* that the increase in the share of developing countries in manufacturing

[3] Summary presented by the President at the closing plenary of the Board and included in the report of the Board to the General Assembly by decision of the Board at the same plenary.

value added had fallen short of that in their share of manufactured exports, a phenomenon linked to their involvement in the import-dependent and labour-intensive processes of international production chains. It was also stressed that, for many developing countries, low commodity prices continued to restrict the gains from trade. While attention was drawn to benefits from trade due to the transfer of technology, the discussions indicated lack of consensus as to trade's effectiveness for that purpose in practice.

18. Several policy measures capable of enhancing trade's contribution to economic development were cited, such as appropriate macroeconomic policies, industrial policies adapted to countries' particular needs, dynamic internal markets, and investment in health, education and infrastructure. A trading system propitious to economic development also required increased developing country access to industrial countries' markets, as well as progressive upgrading of middle-income developing countries' production structures to leave room for exports from the lesser developed countries, especially the LDCs. Regional integration could also be beneficial, especially for small countries.

19. Several features of greater integration through trade were illustrated by China's accession to WTO. Given the rapid expansion of internal demand associated with China's economic growth, the accession was likely to increase the country's imports from the rest of the world, including those from other developing countries, and to stimulate flows of FDI, while also facilitating domestic market-oriented reform. The upgrading of China's exports towards more capital- and technology-intensive products already evident in statistical data was creating space for more labour-intensive imports from other developing countries.

20. Discussion of the rules of the trading system and of the negotiating strategy in the new multilateral trade negotiations focused on both the WTO framework and on opportunities and risks in those negotiations. There was emphasis on the need for flexibility in the trading system's rules to accommodate the growing diversity of its membership. Those rules were regarded by many as biased against developing countries' interests, and as contributing to unfavourable outcomes in trade negotiations. According to that argument, redressing such failings could require a standstill or slowdown in the process of integrating developing countries into the global trading system and should involve reform of WTO procedures and governance in areas such as dispute settlement and democratic functioning. Attention was also drawn to the tendency for agreements among Quad countries to become binding on all WTO members, a tendency also regarded as unfavourable to developing countries.

21. Other participants in the debate placed greater emphasis on the opportunities for developing countries furnished by the negotiations, and the view was also expressed that too much flexibility regarding the application of WTO rules and obligation to different categories of countries could jeopardize the progress of the negotiations. Among the opportunities for developing countries in negotiations, mention was made of the reduction of tariff peaks and elimination of tariff escalation and export subsidies in OECD countries, as well as improved access for natural persons under GATS. There was also reference in that context to the desirability of efforts to exploit WTO processes as part of countries' development strategies and of the domestic policies adopted for their pursuit.

22. In the debate on the weakening performance of the global economy, the view was expressed that it had highlighted the need for reforms to the global economic system. Here, attention was drawn to the way in which recent trends had again exposed the vulnerability of many developing countries to external shocks. Improving macroeconomic conditions and meeting development targets would require greater policy coherence and improved policy coordination. Seeking coherence through rapid across-the-board liberalization had not proved satisfactory and new, more comprehensive approaches were needed. Failures on that front would jeopardize the attainment of internationally agreed development goals. According to another view, fuller participation in international trade and investment was a proven formula for faster growth and poverty alleviation, suggesting the need for an increased pace of integration appropriately supported by international financial institutions.

C. Review of developments and issues in the post-Doha work programme of particular concern to developing countries[4]

(Agenda item 6)

23. That agenda item provided the opportunity for member States to address recent developments and issues in the post-Doha work programme of particular concern to developing countries. Member States and regional groups emphasized the need to give particular attention to the development dimensions in the post-Doha process. Some concerns were expressed regarding slow progress on issues of concern to developing countries. The need for technical cooperation and capacity-building to support developing countries' participation in the Doha work programme was underlined. In that regard, UNCTAD technical assistance activities had greatly assisted developing countries. UNCTAD and WTO were encouraged to cooperate closely in carrying out technical cooperation activities. It was expected that the Board's regular reviews of developments and issues in the post-Doha work programme, as provided for in the recommendation of the Commission on Trade on Goods and Services, and Commodities, as endorsed by the Board, would make a positive contribution to enhancing the development dimensions in the negotiations and thus to achieving a balanced outcome.

D. Consideration of other relevant reports: report on UNCTAD's assistance to the Palestinian people[5]

(Agenda item 7(b))

24. The **Coordinator of Assistance to the Palestinian people** introduced the report of the secretariat (TD/B/49/9), which examined progress achieved in UNCTAD's technical assistance for the Palestinian people in the context of an assessment of developments affecting the Palestinian economy and the

[4] Summary presented by the President at the closing plenary of the Board and included in the report of the Board to the General Assembly by decision of the Board at the same plenary.

[5] Included in the report of the Board to the General Assembly in accordance with General Assembly decision 47/445.

implementation of UNCTAD's operational activities. He highlighted the report's synoptic review of major developments in the economy, which painted a sombre picture of economic performance. He stressed that the situation underlined the urgent need for renewed development efforts to moderate the impact of the economic effects of the conflict and to strengthen the economy's resilience. That would require promoting dynamic synergies among rehabilitation, reconstruction and strategic development needs.

25. He emphasized the importance of rebuilding the Palestinian Authority's institutional capacity, especially in view of the Palestinian Authority's renewed commitment to establishing a rule-based, market-driven economy, in harmony with national interests, global trends and strategic development potentials. To support the Palestinian Authority's development efforts, the UNCTAD secretariat had stepped up its technical assistance activities, while modifying ongoing projects as appropriate to address acute economic needs. Despite increasing logistical difficulties affecting the delivery of technical assistance, full professional staff resource allocation for that work programme was now available to enable UNCTAD to sustain recent progress. In accordance with the mandate of UNCTAD, its assistance was helping to reinforce and build Palestinian economic managerial capacities along with the transparent institutions and the modern, open policies required for the future Palestinian economy.

26. He updated the Board on technical assistance activities now under way, which attested to the determination of Palestinian government and civil society counterparts to build a new society and develop a viable economy, despite all odds. He thanked donors for their support of UNCTAD's activities related to technical assistance to the Palestinian people and expressed appreciation for the support that all Members of the Board had continued to exhibit towards that work programme. In concluding, he appealed to existing donors and potential new ones to renew or initiate their contribution to UNCTAD technical assistance to the Palestinian people.

27. The representative of **Palestine** thanked the secretariat for the objective and comprehensive report about the economic aspects of the suffering of the Palestinian people as a result of Israel's occupation of the Palestinian territories and its deliberate, destructive practices, which had led to a dangerous deterioration of all facets of Palestinian life. He praised UNCTAD for its efforts to provide technical assistance and studies aimed at linking relief to development and to help the Palestinian National Authority face the challenges to the Palestinian economy caused by the Israeli reoccupation of all of the Palestinian territories. He thanked donor countries for their continuous support to the Palestinian people and urged them to intensify that assistance, including offering the development aid necessary to save the Palestinian economy from complete collapse and to lead it towards the path of sustained development.

28. Despite his praise for the report and his appreciation of the UNCTAD secretariat's efforts, he stated that the report used certain terms that should be reconsidered and corrected owing to their divergence from the realities of the situation. In particular, he cited the reference to a "crisis in Israeli-Palestinian relations", whereas in fact a complete Israeli military occupation had been imposed on the Palestinian people and criminal practices were being perpetrated by the occupation forces in the context of an aggressive policy that had been condemned by the international community for many years. The reference to "the Israeli-

Palestinian conflict" obscured the Israeli military aggression against the Palestinian people in the Palestinian territories, while the Palestinian people were resisting foreign domination with all available means, as enshrined in the Charter of the United Nations and United Nations resolutions. While those mistakes in the report might seem cosmetic, they were in reality profound and critical in their political context. Inaccurate use of terms could reinforce incorrect concepts, which in this case served aggression at the expense of truth. While those inaccuracies were unintentional, they should be corrected and avoided in future reports.

29. The comprehensive picture provided by the report left little to be added regarding the deterioration of economic conditions in the occupied Palestinian territories. UNCTAD's efforts to alleviate those tragic conditions by linking relief to development and through targeted technical assistance were well intentioned. However, those efforts could not prevail as long as the main cause of economic deterioration was not addressed, namely the Israeli occupation, which was a temporary phenomenon whose impact would recede once the occupation ended. In that context, he reviewed the range of Israeli measures which adversely affected the Palestinian economy.

30. Despite the full account of economic deterioration provided in the report, which fell within UNCTAD's mandate and competence, there were many other factors that might not appear to be linked to the economy but that in fact had a great economic impact. In particular, Palestinian human resources were being destroyed by the Israeli occupation forces through their use of almost all types of weapons against Palestinians, thus depriving the Palestinian people and their economy of their main asset.

31. In concluding, he reiterated his deep appreciation to the UNCTAD secretariat for its programme of assistance to the Palestinian people, who needed all types of assistance. Pending the elimination of the Israeli occupation of Palestine, the international community should continue to shoulder its responsibility to protect the Palestinian people. However, until that time, any vision of peace and security would be illusory and ill considered.

32. The representative of **Egypt**, speaking on behalf of the **Group of 77 and China**, said that the Palestinian economy continued to face dramatic challenges. Since October 2000, the economy had lost more than half of its annual gross domestic product, the unemployment rate had tripled to 29 per cent by March 2002, infrastructure losses had reached more than $305 million, 17 per cent of cultivated land had been bulldozed and half a million olive and fruit trees had been uprooted, while the benefits of the preferential trade arrangements extended to Palestinian exporters had effectively been nullified by the difficult market access conditions. In addition, close to half of the Palestinian population was now living below the poverty line. Moreover, social services, including education, hospitalization and emergency medical services, had deteriorated severely, adding more misery to the life of Palestinians. This situation was described by the Security Council in its resolution 1405 (2002) as a dire humanitarian situation facing the Palestinian civilian population. The practices of the Israeli occupying forces, including the destruction of infrastructure, collective punishment and closure, and withholding of tax revenues, must end, and a peace based on Security Council resolutions 242 (1967), 338 (1973), 1397 (2002) and on the Madrid principles should prevail.

33. UNCTAD, development agencies and the donor community retained their role as a cornerstone to enable the Palestinian Authority to reinforce its capacity, which had been seriously constrained by the practices of the occupying forces. She commended the activities undertaken by the Programme of Assistance to the Palestinian People despite the difficult field conditions. The various activities carried out in the four clusters of the Programme in the course of 2001/2002 were clear indicators of the clusters' value to the Palestinian Authority. Those activities also attested to the commitment of the Palestinian Authority, as reflected by the local funds provided to finance many elements of UNCTAD's projects.

34. She expressed her appreciation for the extrabudgetary resources provided by the donor community and international organizations and urged them to extend the necessary resources to allow UNCTAD to continue implementing a number of activities that had been halted because of lack of funds. Specifically, she referred to phase 2 of ASYCUDA, advisory services related to transit trade and transport, and activities under UNCTAD's response to the Palestinian economic crisis in the areas of food security and commodity trade, trade logistics and facilitation, and trade promotion. Such assistance was essential to support the Palestinian Authority's efforts to alleviate the suffering imposed by the current crisis, which was pushing the Palestinian economy further towards a status similar to that of the landlocked and least developed countries.

35. In the meantime, she urged the secretariat to make every effort possible to continue its programme in favour of the Palestinian people and to intensify its activities despite the limitations on available resources. In conclusion, she reiterated the support of the peoples of the Group of 77 and China for the legitimate struggle of the Palestinian people to achieve a comprehensive, just and lasting peace through the full implementation of all relevant United Nations resolutions recognizing the rights of all peoples and States, including Palestine, to enjoy peace, security and development.

36. The representative of **Denmark**, speaking on behalf of the **European Union and the countries seeking accession to the European Union (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, as well as Cyprus, Malta and Turkey)**, expressed his gratitude for UNCTAD's contribution to economic development efforts in the areas under Palestinian authority. Regrettably, as the secretariat's report showed, the current circumstances rendered the achievement of sustainable development extremely difficult. Nonetheless, he still believed that the Palestinian economy could improve and that trade with the subregion could be developed. In this context, UNCTAD's assistance to build Palestinian capacity and institutions gained much importance.

37. Technical assistance could help little without peace and stability in the Middle East. The two sides must coexist and must engage in negotiations to achieve a durable peace where two States, Israel and an independent, viable and democratic Palestine, lived side by side within secure and recognized borders, on the basis of the principles established in Madrid and Oslo and in conformity with United Nations Security Council resolutions.

38. The representative of **Indonesia**, speaking on behalf of the **Asian Group and China**, expressed his appreciation for UNCTAD's continuous support to the Palestinian people, especially in these difficult times, and for the comprehensive and excellent analysis provided in the report. He stressed that the escalation and

intensification of the crisis in the West Bank and Gaza and the systematic closures of the occupied territories had destroyed the major part of essential private and public infrastructures, deprived the Palestinian people of more than half of their economy, tripled the number of jobless and, above all, increased the level of poverty and vulnerability to unprecedented and extremely dangerous levels. As the report stated, the situation in the Palestinian territories was a telling example of a complex humanitarian emergency. No doubt the continuous Israeli policy of closure, curfews, destruction of infrastructure and collective punishment would push the Palestinian economy further towards a path of de-development.

39. The international community should ensure the reversal and alleviation of those conditions, enable the Palestinian Authority to maintain its function and prepare for the inevitable establishment of the Palestinian State, and work relentlessly to find an equitable and peaceful solution to the crisis. Donor countries should increase their support to put a stop to the seemingly endless suffering of the Palestinian people. The international development agencies, including UNCTAD, should coordinate and step up their efforts to address the short-term emergency relief needs and the medium-term institutional capacity required for the future state of Palestine. In that context, he emphasized the importance of promoting dynamic synergies between emergency relief, rehabilitation, reconstruction and strategic development needs, as recommended by the report.

40. He commended the secretariat for achieving concrete progress in its various capacity-building technical assistance projects despite the extremely difficult field conditions, and urged their expansion to include all the areas of UNCTAD's competence. He was pleased to note that UNCTAD was examining the possibility of initiating technical assistance in new areas that had become more relevant as a result of the two-year crisis. He concluded by urging the donor community to increase its financial support to enable UNCTAD to expand its technical assistance programmes for the Palestinian people. He also commended the Palestinian people for their ability to survive such devastation and continue on despite all adversity, and urged the international community to increase its support to the Palestinian people and to work together to achieve a just, comprehensive and lasting peace in the region.

41. The representative of **Morocco** noted that economic and social conditions in the Palestinian areas had deteriorated considerably since the second intifada, which had triggered a blind repression by the Israeli forces. The infrastructure, already handicapped by decades of Israeli occupation, had been subject to systemic destruction, while the permanent siege of the Palestinian areas had had a dramatic impact on poverty and unemployment.

42. This disastrous and inhuman situation begged the international community's conscience to condemn that cycle of aggression that had paralysed the economy. The secretariat's report showed that the current situation had negatively affected the Palestinian Authority's institutional capacity and its ability to utilize development aid. The Palestinian Authority continued to experience irreversible damage to its human and administrative capacities, and the donor community's attention had been diverted from development objectives to catering for emergency needs generated by the unprecedented humanitarian crisis.

43. He commended the secretariat's technical assistance programme for the Palestinian people, which had gained greater importance in view of the current conditions. The Palestinian Authority was in dire need of UNCTAD's assistance in

designing a global policy for rebuilding the economy. In concluding, he called on the donor community to maintain its support for that programme and, henceforth, enable the Palestinian people to achieve sustainable development.

44. The representative of **Israel** expressed regret that the secretariat report avoided the key questions, namely why UNCTAD had had to prepare a report about the deterioration of the Palestinian economy over the preceding two years. The positive economic trend that had been achieved before the current wave of violence could have been maintained had the Palestinian Authority continued the political process and not decided to resort to continuous violence against Israel with an obscure political goal. The Palestinian Authority could have focused on the structural problems of the economy in order to avoid deterioration in the standard of living. He stressed that the wave of violence had hurt not just the Palestinian economy but also other economies in the region, especially the Israeli economy.

45. Israel had repeatedly tried to put the economic system back on track over the preceding two years, though the response had consistently been one of violent attacks on Israeli civilians and soldiers and terrorist atrocities. Israel had been trying to improve the economic situation of both Palestinians and Israelis in a context of violence and a persistent climate of fear, as recently described by the United Nations Committee on the Rights of the Child. The report placed responsibility at the doorstep of Israel and skirted round the responsibility of the Palestinian Authority for the economic mishaps and mismanagement affecting the Palestinian economy. Although the report did hint at some of those issues in certain paragraphs, it avoided issues such as monopolies, corruption, lack of transparency, channelling of donor funds to organizations whose focus was terrorism and the absence of an enabling environment to support economic activity.

46. Israel had been willing to act together with the Palestinians to improve the Palestinian economy, including measures to open the Israeli market to Palestinian day labourers. However, those efforts had only produced acts of terror by those allowed entry to Israel ostensibly for employment reasons, creating a loss of human resources and mutual trust. He appealed for a joint call for an end to the violence and to the waste of human resources on both sides. Once the violence was ended and a political process was resumed, it would be necessary to prepare for resumption of progress in the Palestinian, Israeli and Arab economies. If UNCTAD wished to play a positive and significant role in the region, objective professional analysis should be the focus of its work.

47. The international community needed to continue to focus on an end to terrorism and violence and major reforms in the Palestinian Authority in the areas of security and economic transparency. He referred in that connection to the joint statement issued recently by the United States and Israel regarding the gradual return and scheduled transfer of all Palestinian Authority tax funds collected by Israel on the unequivocal condition that there would be full United States monitoring to ensure their use only for economic and civil activities. Once those reforms took place, negotiations could restart and cooperation again be explored. It was impossible to sustain economic development in a situation of continuous violence, which had to end before the parties could return to the negotiating table and to the path of economic development.

48. The representative of **the Islamic Republic of Iran** stressed that the long-lasting Israeli occupation of Palestine and the escalating crisis caused by that

occupation had drained the economy of its most vital resources, bringing it to the brink of collapse. The quick review of some key macroeconomic indicators provided by the report highlighted the vulnerability of the Palestinian people and the challenges facing them.

49. He emphasized UNCTAD's crucial role in responding to the Palestinian people's needs and establishing an enabling environment for stimulating private-sector growth, especially through technical assistance. He expressed his country's support for UNCTAD's proposed framework and activities in the areas of food security and commodity trade, trade logistics and facilitation, trade promotion, trade policy, preferential market access and investment promotion. He concluded by urging the donor community to support UNCTAD's programme of technical assistance to the Palestinian people, and to help it implement ongoing projects, particularly ASYCUDA, as well as follow-up and postponed activities.

50. The representative of the **League of Arab States** said that the data and information contained in UNCTAD's report were very alarming as they reflected an unprecedented degree of economic deterioration. It was very difficult to imagine the living conditions of a people who had lost, in less than two years, 40 per cent of their national income, more than 50 per cent of their gross domestic product, and numerous jobs, to the extent that 50 per cent of the labour force was currently unemployed. That situation was not the result of a disaster that could be mitigated by short-term measures, but rather of the repeated and continuous Israeli military aggression and the destruction it had caused to the physical and institutional infrastructure. That had reached all aspects of life, from water and electricity utilities to roads, houses, factories and public buildings. The protracted Israeli policy of internal and external closure of the Palestinian territories had almost completely prevented the movement of goods, commodities and raw material required for the production process. Those practices had resulted in an economic disaster and had pushed more than 60 per cent of Palestinian households below the poverty line.

51. Despite the $3 billion the Palestinian economy had received from the donor community in the past few years, it was now on the verge of bankruptcy and complete collapse and facing a vicious cycle of interrelated obstacles to development. Much of the donated funds had been directed to building the infrastructure, which Israeli forces had recently destroyed, laying waste to the resources and efforts that the donor community had extended to the Palestinian people. The Israeli occupation was the sole reason for the current economic deterioration and the reason for the redirection of external aid from long-term economic development objectives towards the urgent basic needs of the Palestinian people.

52. He expressed his appreciation for UNCTAD's efforts to support the institutional capacity of the Palestinian Authority, especially in the areas of trade facilitation and promotion, trade in services, transport, investment, finance and competition. In concluding, he thanked the secretariat for the preparation of the report, whose findings were in line with those of other international agencies, such as the Office of the United Nations High Commissioner for Human Rights, the International Committee of the Red Cross, UNRWA and others. He also thanked the donor community for its continuous support to the Palestinian people.

53. The representative of **China** pointed out that the secretariat's programme of assistance to the Palestinian people was a major component of UNCTAD's mandate. The programme had achieved great success in promoting Palestinian trade and economic development and had evolved from research and analysis work to an integrated programme of technical assistance activities that had succeeded in promoting the integration of the Palestinian economy into regional and international markets.

54. She expressed concern regarding the humanitarian disaster facing the Palestinian people and appealed to the donor community to increase its financial assistance to alleviate the Palestinians' suffering. She urged the international community to show concern for the Palestinians' efforts to ensure their independent social and economic rights. More Governments and concerned parties should work with UNCTAD to achieve social and economic development in the Palestinian areas. China was committed to assisting the Palestinian economy and putting an end to social suffering.

55. The representative of **Tunisia** thanked the secretariat for its efforts in support of the Palestinian people under extremely difficult economic conditions, which were the result of the protracted and repeated closure policy of the Israeli occupying forces in the Gaza Strip and the West Bank. The secretariat report reflected the degree of suffering of the Palestinian people, whereby the economy had lost more than half of its gross domestic product, unemployment had more than tripled, poverty had reached more than 60 per cent of Palestinian households and the economy's productive capacity had been depleted. Those conditions had forced the Palestinian Authority to increase its dependence on donor support to meet the emergency and relief needs imposed by the situation.

56. He thanked the donor community and urged them to increase their support to the Palestinian people, not only to meet emergency relief needs but also to provide the institutional support required for the attainment of long-term development objectives. He expressed his appreciation for UNCTAD's efforts in support of the Palestinian Authority and the progress achieved in a number of UNCTAD's programmes despite the difficult field conditions. He urged the secretariat to step up its efforts to help the Palestinian people overcome the current crisis and achieve their long-term economic goals.

57. The representative of **Jordan** expressed his country's deep concern over the worrisome situation that had befallen the Palestinian economy. The secretariat report was elaborate in explaining the reasons behind the widespread economic crisis and in warning against long-term consequences. As the report noted, the economy was trapped in a "cycle of de-development", which would ultimately lead to loss of confidence in the economy and would aggravate the political crisis. Economic prosperity was a precondition for achieving peace and stability.

58. The erosion of the Palestinian economy's productive capacity, the destruction of physical infrastructures, the difficulties involved in rebuilding the Palestinian Authority's institutional capacity, and the impossibility of reaping the benefits of donor assistance and responding to the Palestinian people's needs would all negatively affect the regional economy. The international community should therefore increase its support of the Palestinian people, who were living in a "complex humanitarian emergency". He concluded by expressing Jordan's gratitude to the secretariat and commended UNCTAD's perseverance and rigorous efforts to

provide technical assistance for the Palestinian people despite the deteriorating security conditions in the field.

59. The representative of **Lebanon** said that the occupied Palestinian territories had continued to experience a severe economic crisis since September 2000 as a result of the practices of the Israeli occupying forces. The repeated destruction of public utilities and infrastructure signalled more economic deterioration and an intensification of the suffering of the Palestinian people. The progressively deteriorating economic and living conditions required the multiplication of donor support to the Palestinian people, now more than ever, not only to meet emergency relief and basic daily needs, but also to build the capacities required for achieving long-term developmental goals. She thanked the secretariat and the donor countries for their contribution and urged them to accelerate efforts to help the Palestinian people achieve their legitimate aspirations.

60. The representative of **Pakistan** commended the secretariat for its report. The report clearly showed that the Israeli policies of systematic destruction of Palestinian infrastructure and private property had crippled the Palestinian economy. Those policies had also had the effect of economic strangulation of the Palestinian people. It was noteworthy that UNCTAD had been extending technical assistance to the Palestinian people even under the very difficult prevailing conditions. UNCTAD deserved appreciation for the positive role it had been playing, and he encouraged it to continue its technical assistance to the Palestinian people, which was vital for strengthening Palestinian economic institutions and infrastructure. He concluded by reiterating his country's support to the Palestinian people in their legitimate struggle. He expressed the hope that the international community would increase its financial support and find a peaceful and lasting solution to the Palestinian issue in accordance with the relevant United Nations resolutions.

61. The representative of the **United States of America** thanked the secretariat for its efforts on behalf of the Palestinian people. The United States supported measures to improve the lives of Palestinians and promote normal economic activity in the Palestinian areas. The United States was among the most significant sources of assistance to meet Palestinian humanitarian needs, including through UNRWA. In that light, he valued the technical assistance work of UNCTAD in favour of the Palestinians.

62. He had hoped that the discussion of the secretariat's report would avoid one-sided accusations and inappropriate politicization of the matter, but regrettably that had not always been the case. He reiterated his country's belief that peace and the absence of conflict were preconditions for development. The United States continued to be actively engaged in efforts to advance a comprehensive Palestinian reform programme, restore security cooperation, ease the Palestinian humanitarian situation and work towards the resumption of dialogue between the parties. He concluded by urging both sides to take immediate steps to ease the situation and to refrain from words and actions that would inflame tensions.

63. The representative of **Algeria** said that his delegation found it difficult to focus its intervention on the secretariat's report in view of the daily destruction and collective killings by the Israeli war machine, which had not even spared nature. While olive trees were being uprooted simply because they belonged to the Palestinians or because they symbolized peace, Palestinian economic establishments and physical and institutional infrastructures were consistently being destroyed. The

appalling massacres made it difficult to deal with the item in a normal fashion, and he requested the international community to end the unprecedented aggression against a people that simply wished to exercise its right to live in dignity on its land.

64. While his country appreciated UNCTAD's efforts to support the Palestinians within the limits allowed by Israel, they were not enough and could not substitute for the role of the United Nations, which had been marginalized, especially with regard to the cause of the Palestinian people. Israeli tanks and bulldozers were consistently demolishing international development projects, turning them into mass graves for Palestinians. While he commended the donor community for its contribution to the establishment of the foundations of the Palestinian economy, he drew the attention of all concerned countries to the need to intervene to put an end to the agony of the Palestinian people. If the situation continued at the current pace, it would result in a new holocaust. He referred to the heavy human price, the death of millions of people, that the world, and Europe in particular, had paid because some countries had disregarded the rise of Nazism and fascism in the 1930s.

65. He emphasized that providing millions of dollars in funds to meet the dire needs of the Palestinian people should not be an excuse for relieving the international community of its duty to support the victims and to achieve the rights of a people that had resisted aggression and occupation. He concluded by recalling the option for a just and comprehensive peace proposed by the Arab countries at their most recent summit, held in Beirut, whereas Israel had chosen the option of war and the elimination of the Palestinians and their National Authority.

66. The representative of **Israel**, in exercise of his right of reply, said that he would have preferred not to engage in further debate on the subject. However, he could not refrain when issues sensitive and dear to Israel and the Jewish people were trampled upon once again by a certain delegation. He wished to caution the concerned representative that whatever historical allusions he chose to make, he should stay away from comparing the tragic events of the Holocaust, in which six million Jews had been slaughtered, with current political differences among Israelis, Arabs and Palestinians. He reiterated his demand for a certain respect for values and memories cherished by the Israeli and Jewish people. He reminded the concerned delegation that, in certain other areas of the world, massacres and casualties in far greater numbers were occurring, but that the countries concerned chose to block the media from showing them.

67. Israel had suggested the most recent peace overture at Camp David in July 2000, and the Palestinian Authority had declined to take Israel's outstretched hand, while the United States had later on made a bridging proposal that had been accepted by Israel. If anyone had rejected recent overtures for peace, it was not Israel. Israel was willing to recommence negotiations once the violence ended, but he had yet to hear in the conference hall a clear and unequivocal call to end violence, which affected both sides.

68. The representative of **Egypt**, in exercise of his right of reply, stated that he too would have preferred not to intervene again in the debate, but that he was obliged to do so in the light of the preceding statement. The presentation of a proposal for peace in any region by one party or two countries did not mean that such a proposal should be the only solution or the just solution for peace in said region. There were recognized international resolutions adopted on the issue, and it was these which should be the basis for a solution and which should be implemented. Since the

discussion had moved to the realm of different proposals, he recalled that the representative of Algeria had referred to the peace proposal made by the League of Arab States, at its last Summit Meeting in Beirut, built on the relevant United Nations decisions.

69. The representative of **Palestine**, in exercise of his right of reply, stated that he had refrained from replying to the earlier statement by the representative of Israel, which contained many errors that deserved a response. However, after the representative of Israel had again taken the floor and had resorted to fallacies and attempts at confusing the issues, it was necessary for Palestine to make some observations. He wondered why it was only Israel that asserted that yesterday's victim had the right to become today's torturer, the role that Israel acted out on a daily basis against the Palestinian people. As for the reference by the representative of Israel to the Holocaust, he did not wish to engage in a debate about the truth or the number of victims of the Holocaust. However, accepting that there had been a victim of the Holocaust, by what right did Israel allow itself to become the torturer of the Palestinian people today? He believed that the international community had had enough of that nonsense.

70. The representative of Israel had today again talked about peace proposals, but what peace did Israel envisage while it occupied others' land by force, something which international law rejected in principle? The representative of Israel could not talk about peace while his occupation forces every day killed Palestinian children, destroyed Palestinian houses and lands and committed massacres, as had happened recently in Gaza, Khan Yunis and Jenin, and before that at the hands of Sharon himself in Sabra and Shatila, Kfar Qassem and Qibya. Those were all massacres, which the United Nations had affirmed were a form of genocide. He could not expect people to believe Israel's words about peace when its occupation forces were committing massacres on a daily basis.

71. The representative of **Israel**, again in exercise of his right of reply, stated that, while he could have responded to the many falsehoods and accusations that had been levelled against Israel, there was one point on which he could not remain silent — namely, that after three sessions of the preparatory committee for the World Conference on Racism, Racial Discrimination, Xenophobia and Related Intolerance had been held in that very hall, and after the infamous Durban conference in which the language of hatred had been used, the Palestinian observer referred to whether the Holocaust had occurred, or whether the number of victims was accurate. It was unacceptable that Holocaust denial could take place in a United Nations forum, whatever the differences of opinion regarding current difficulties in the Middle East.

Chapter III

Procedural, institutional, organizational, administrative and related matters

A. Opening of the session

72. The forty-ninth session of the Trade and Development Board was opened on 7 October 2002 by Mr. Nathan Irumba (Uganda), the outgoing acting President of the Board.

B. Election of officers

(Agenda item 1(a))

73. At its 930th plenary meeting, the opening meeting, on 7 October 2002, the Board elected by acclamation Mr. Dimiter Tzantchev (Bulgaria) as President of the Board for its forty-ninth session.

74. Also at its opening plenary meeting, the Board completed the election of officers to serve on the Bureau of the Board at its forty-ninth session by electing 10 Vice-Presidents and the Rapporteur. Accordingly, the elected Bureau was as follows:

President:

Mr. Dimiter Tzantchev (Bulgaria)

Vice-Presidents:

Mr. Iouri Afanassiev (Russian Federation)
Mr. Boniface Chidyausiku (Zimbabwe)
Mr. Luiz Felipe de Seixas Corrêa (Brazil)
Mr. Nathan Irumba (Uganda)
Mr. Toshiyuki Iwado (Japan)
Mr. Douglas M. Griffiths (United States of America)
Mr. François Leger (France)
Mr. Samuel T. Ramel (Philippines)
Mr. Lester Mejía Solís (Nicaragua)
Mr. Eberhard Von Schubert (Germany)

Rapporteur:

Mr. Mehdi Fakheri (Islamic Republic of Iran)

75. In accordance with past practice, the Board agreed that the regional coordinators and China, as well as the Chairmen of the Sessional Committees, would be fully associated with the work of the Bureau.

C. Adoption of the agenda and organization of the work of the session

(Agenda item 1(b))

76. At its opening meeting, the Board adopted the provisional agenda for the session contained in TD/B/49/1. (For the agenda as adopted, see annex I below.)

77. At the same meeting, and in accordance with the organization of work for the session in TD/B/49/1, the Board established two sessional committees to consider and report on items on its agenda as follows:

Sessional Committee I:

Item 4: Progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010: (a) implementation of UNCTAD-wide activities in favour of LDCs; (b) the least developed country status: effective benefits and the question of graduation;

Sessional Committee II:

Item 5: UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: structural adjustment and poverty reduction in Africa.

78. The following officers were elected to serve on the Bureau of Sessional Committee I:

Chairperson:
Mr. S. Lazzarotto (Switzerland)

Vice-Chairperson-cum-Rapporteur:
Ms. W. Tadesse (Ethiopia)

79. The following officers were elected to serve on the Bureau of Sessional Committee II:

Chairperson:
Mr. F. Samb (Senegal)

Vice-Chairperson-cum-Rapporteur:
Mr. F. Leger (France)

D. Membership of UNCTAD and of the Trade and Development Board

80. At the 930th plenary meeting of the Board, on 7 October 2002, Timor-Leste became a member of UNCTAD, bringing the membership of UNCTAD to 192.

81. At the same meeting, Mozambique became a member of the Board, bringing the membership of the Board to 148.

E. Adoption of the report on credentials

(Agenda item 1(c))

82. At its 936th plenary meeting, on 18 October 2002, the Board adopted the report of the Bureau on the credentials of representatives attending the forty-ninth session (TD/B/49/13), thereby accepting the credentials.

F. Provisional agenda for the fiftieth session of the Board

(Agenda item 1(d))

83. At the same meeting, the Board decided that the Secretary-General of UNCTAD would draw up a draft provisional agenda for the fiftieth session of the Board at a later stage and submit it to the consultations of the President.

G. Administrative and financial implications of the actions of the Board

(Agenda item 10(b))

84. At the same meeting, the Board was informed that there were no financial implications arising from the work of its forty-ninth session.

H. Adoption of the report

(Agenda item 12)

85. At its 936th plenary meeting, on 18 October 2002, the Board took note of the reports of Sessional Committee I (TD/B/49/SC.1/L.1 and Add.1) and Sessional Committee II (TD/B/49/SC.2/L.1 and Add.1 and 2) and decided to incorporate them in the final report of the Board on its forty-ninth session.

86. At the same meeting, the Board adopted the draft report on its forty-ninth session (TD/B/49/L.1 and Add.1-4), subject to any amendments that delegations might wish to make to the summaries of their statements. The Board further authorized the Rapporteur to complete the final report as appropriate and, under the authority of the President, to prepare the report of the Trade and Development Board to the General Assembly.

Annex

Agenda for the forty-ninth session of the Trade and Development Board

1. Procedural matters:

   Election of officers
   Adoption of the agenda and organization of the work of the session
   Adoption of the report on credentials
   Provisional agenda for the fiftieth session of the Board

2. High-level segment: how can the post-Doha process work best for development?[a]

3. Interdependence and global economic issues from a trade and development perspective: developing countries in world trade.

4. Progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010:

   (a) Implementation of UNCTAD-wide activities in favour of Least Developed Countries;

   (b) The least developed country status: effective benefits and the question of graduation.

5. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: structural adjustment and poverty reduction in Africa.

6. Review of developments and issues in the post-Doha work programme of particular concern to developing countries.

7. Technical cooperation activities:

   (a) Review of the technical cooperation activities of UNCTAD;

   (b) Consideration of other relevant reports: report on UNCTAD's assistance to the Palestinian people.

8. Other matters in the field of trade and development:

   Progressive development of the law of international trade: thirty-fifth annual report of the United Nations Commission on International Trade Law.

9. Follow-up to decisions taken by the Board.

10. Institutional, organizational, administrative and related matters:

    (a) Arrangements for regular sessions of the Board;

    (b) Administrative and financial implications of the actions of the Board.

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[a] The high-level segment this year will deal with an issue relating to agenda item 6.

11. Other business.

12. Adoption of the report.

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